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### ABSTRACT

A major responsibility of government, whether state, local or federal, is to provide educational opportunity for its citizens in accord with their abilities, motivations, and the needs of society. To achieve this goal in postsecondary education, a diversity of institutions for students to attend and the elimination of barriers to these institutions is required. From the standpoint of public policy, the prime need is for a real federal-state-institutional partnership in making equality opportunity more of a reality in this country. Such a partnership alone can assure substantial progress in meeting the needs of students, combined with reasonable, efficient, and effective allocation of existing and future aid resources. In the operation of this partnership a comprehensive program of student assistance, including opportunity grants, work-study loans, and self-help from students, is essential. This document presents a viable plan for such a program. (Author/HS)

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POST-SECONDARY EDUCATIONAL OPPORTUNITY:  
A FEDERAL-STATE-INSTITUTIONAL PARTNERSHIP

A Report of the Task Force on Student Assistance

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POST-SECONDARY EDUCATIONAL OPPORTUNITY:  
A FEDERAL-STATE-INSTITUTIONAL PARTNERSHIP

Report of the  
  
TASK FORCE ON STUDENT ASSISTANCE  
  
of the  
  
Education Commission of the States  
1860 Lincoln Street  
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February, 1971

## FORWARD

We are happy to present and recommend for institutional, state, and national consideration Post-Secondary Educational Opportunity: A Federal-State-Institutional Partnership, the report of the Task Force on Student Assistance of the Education Commission of the States.

This is the first of a series of reports by task forces of the Commission on high priority problem areas in post-secondary education.

The report was approved at the San Diego Steering Committee meeting of the Commission on November 18, 1970.

On behalf of the Education Commission of the States I would like to express our appreciation to former Governor Norbert Tiemann of Nebraska and Senator Bennett Katz of Maine as Co-Chairman and to the members of the Task Force for the many hours and careful deliberations that led to the report and its recommendations.

Russell W. Peterson, Governor of Delaware  
Chairman, Education Commission of the States

RWP:Mmb

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## PREFACE

In the fall of 1969 the Education Commission of the States identified a series of critical issues in higher and post-secondary education with major implications for the states and higher educational institutions for the decade of the 70's. Some twelve such areas were identified with the help of Commissioners, the Executive and Steering Committees of the Education Commission of the States, the U. S. Office of Education, and various representatives of the higher educational community. Of the twelve four were chosen as having particularly high priority. "Critical" and "high priority" for this purpose were defined in terms of areas of particular concern from the standpoint of their implications for state and institutional operation and planning in higher education but also areas in which the pressure for federal legislation was or would be high or federal supplementation of state efforts should be seriously considered. They were also areas in which the types of decisions made on state and federal levels could or would have major impact on the future of post-secondary education for some time to come.

The four areas so identified were student assistance, statewide planning for post-secondary education, community and junior colleges, and vocational education in higher education. In each of these areas the Education Commission of the States developed a task force with both higher educational and political representation, that is, each task force included a governor, at least two state legislators, a statewide higher education executive officer, a public and a private college president, a knowledgeable layman, and three or more others with

particular interest or background in the area in question. The task forces were not designed to undertake basic research but to consider various alternatives in the field in question in terms of their implications for states and institutions and to explore particularly possible federal, state, and institutional responsibilities in these areas. The task force, after such exploration, was then instructed to make appropriate recommendations to the Steering Committee of the Education Commission of the States and through the Steering Committee to the states, the federal government, and other appropriate organizations.

The Task Force on Student Assistance was appointed by Governor Tom McCall of Oregon, then Chairman of the Education Commission of the States, in the spring of 1970. It held its first meeting in Omaha, Nebraska, on May 28, 1970. It met subsequently on July 30, September 10 and 11, and by conference call on November 2. Subcommittees of the Task Force met on July 8 and October 27.

The Summary and Recommendations of the Task Force on Student Assistance were presented to the Steering Committee of the Education Commission of the States in San Diego, California, on November 18, 1970. The Summary and Recommendations were accepted and approved by the Steering Committee with instructions that they be forwarded to the states, appropriate members of Congress, and other concerned organizations and persons as a policy position of the Commission.

This document constitutes the full report of the Task Force, including much of the background information and deliberations that led to the Summary and Recommendations. We are pleased to present it to you.

The members of the Task Force and the Education Commission of the States wish to express particular appreciation to Senator Bennett Katz of Maine, Mr. Watts Hill, Jr. of North Carolina, and Dr. John Folger of Tennessee for their major contributions as members of the drafting committee in helping to bring together the various aspects of the discussion in the summary and recommendations and the final report. Special acknowledgement for permission to use information is made to the Carnegie Commission on Higher Education, Dr. John Folger, the National Center for Educational Statistics, and Dr. Joseph Boyd of the Illinois State Scholarship Commission. The Task Force wishes to express particular appreciation to Dr. Peter Muirhead, Executive Deputy Commissioner of Education, and Dr. Alan Purdy, Director of Financial Aids, University of Missouri representing the National Council of Student Aid Officers, for their major contributions as consultant members of the Task Force.

Finally, the Task Force wishes to express its appreciation to Senator Bennett Katz, Mr. Watts Hill, Jr., and Dr. John Moseley, President of Austin College in Sherman, Texas, for the presentation of the report of the Task Force to the Steering Committee of the Education Commission of the States at the San Diego meeting, November 18, 1970.

R. M. Millard  
Director, Higher Education Services  
Education Commission of the States



## TASK FORCE ON STUDENT ASSISTANCE

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## TASK FORCE ON STUDENT ASSISTANCE

### SUMMARY AND RECOMMENDATIONS

A major responsibility of government -- state, local or federal -- is to provide educational opportunity for its citizens in accordance with their abilities, motivations, and the needs of society. To achieve this goal in post-secondary education requires a diversity of institutions for students to attend and the elimination of barriers to access to these institutions. The Task Force on Student Assistance of the Education Commission of the States focuses on the second of these requirements.

Accordingly, the Task Force supports the statement of President Nixon: "No qualified student who wants to go to college should be barred by lack of money." This statement implies the following goals: There should be basic educational opportunities at the post-secondary educational level appropriate to student needs, abilities, and interests in every state. There should also be institutions that provide appropriate post-secondary education for all qualified students. Each individual's opportunity for significant career choices should be limited only by his capabilities and not by economic, cultural, social, or ethnic background. An essential condition of meeting these goals is adequate funding. There is widespread agreement among Americans that these goals are important and achievable but that they are still a long way from full implementation.

In order to accelerate the achievement of these goals, the Task Force makes the following recommendations:

I. Federal-State-Institutional Partnership. From the standpoint of public policy the prime need is for a real federal-state-institutional partnership in making equality of educational opportunity more of a reality in this country. Such institutional-state-federal partnership in complementation of efforts alone can assure substantial progress in meeting the needs of students combined with reasonable, efficient, and effective allocation of existing and future aid resources.

In the operation of this partnership a comprehensive program of student assistance, including opportunity grants, work-study, loans, and self-help from students and parents is essential.

Such a program should include:

(a) Utilization of need as the prime criterion in providing aid. Awards in excess of need, given scarce resources, deprive other students of needed assistance.

(b) Development and adaptation of a uniform system of needs analysis to assure nationwide equity in determination of need. The critical factor in determining need should be the ability of the student-parent combination (including ability to carry loans) to finance post-secondary education.

(c) Development of a system of allocating available aid funds to assure equity in their distribution among students regardless of geographic location.

(d) Consideration of self-help (student-parent contributions in cash, work, and loans) as the first source of financing post-secondary education but with grants provided to close the remaining gap for students with more extreme need.

(e) Making special provision to recruit, admit, and retain students from disadvantaged backgrounds. This will require additional support to institutions to compensate for the higher cost of the special services. It will also require institutional, state, and national programs designed to seek out and encourage the disadvantaged to avail themselves of increased educational opportunities. On both state and federal levels, the real cost of educating poor, disadvantaged, and socially deprived students includes provision for institutional recruiting, admitting, retaining, and placing. The failure adequately to recognize these costs will further delay the translation of legal opportunities into real opportunities.

(f) Development of a national system to assess periodically progress in achieving the goal of equal educational opportunity.

II. The Responsibility of States. The prime responsibility to provide post-secondary educational opportunity to students historically, constitutionally, and in present practice rests with the states. In further developing adequate student aid programs states should:

(a) Develop a comprehensive student assistance program which includes provision for both grants and self-help in the form of loans and work opportunities. This program should be available for students pursuing any public or non-public post-secondary program including vocational schools, technical institutes, community and junior colleges, four-year colleges, and graduate and professional institutions -- excluding only programs the funding of which would violate the various state constitutions and the federal constitution.

(b) Develop a partnership with institutions in administration of the program. States should have as their goal the removal of financial barriers to the educational opportunities for which the students are qualified. The institution has the responsibility, with the assistance of state, federal, and institutional funds, of assuring equity in distribution of financial support among its students. The comprehensive program should have sufficient flexibility to enable institutional student financial aid officers to meet unique need situations. (The federal government's role to assure equity between states is discussed later.)

(c) Develop in combination with institutions and the federal government an effective work-study program. States and institutions should be encouraged to expand part-time work or work-study program opportunities so that, whenever possible, students may choose work rather than loans as central to the students' self-help portion of the student aid program. Requirements for student self-help should not be so large that they jeopardize either the educational or the financial future of the student. While loans have an important place in the total financial picture, particularly at the level of providing the option to attend more costly institutions, they have limited utility for very low-income students, women, and others whose future earnings are uncertain and likely to be variable. In addition, self-help through work on a limited basis, if properly planned, can have important educational as well as monetary value, can help students in career choices, and can provide valuable experience in areas related to future careers.

(d) Develop in combination with institutions and the federal government effective loan programs including accepting responsibility for providing requisite services and administrative functions in relation to federal loan programs operating through the states.

(e) Provide effective statewide planning and coordination not only for student financial aid programs but to help insure the existence of a variety of post-secondary educational opportunities from short-term occupational education to professional and graduate education in various types of institutions to meet the variety of needs and abilities of students and the manpower needs of society. Effective statewide planning will also require that attention be paid to regional and national planning and cooperation as well.

(f) Provide effective evaluation of resource use as related to results to measure progress in achieving equality of educational opportunity and to assure optimum use of scarce resources.

(g) Focus continuing efforts on aid commensurate with need rather than further extension of general non-need based subsidies for all students.

III. The Federal Role. While the federal government has been the junior partner to the states in student aid in support of higher education, it will of necessity have to play an increasingly important role if national objectives are to be met. The federal government should:

(a) Equalize opportunity among states and in cooperation with the states close the remaining aid gap. The states' abilities to support student aid programs vary widely. To the extent that these differences are the result of differentials of family income, and of state ability to support a student assistance program, the federal

government should equalize the funds available to assist needy students. This is not to penalize those states currently making major efforts, since under no circumstances should the current level of federal support to the students in any state be reduced. Rather, it is to recognize that in future and additional funding equalization of opportunity regardless of geographic area must play a progressively more important part.

(b) Provide in addition, a national framework for self-help through loans to help meet differential costs of various educational opportunities for lower- and middle-income families, e.g., National Defense loans, warehousing of loans, interest subsidies, and guaranteed loans.

(c) Allocate funds for student aid equalization to state agencies representative of the total post-secondary educational community (or to existing agencies so augmented for this purpose) that can assure an equitable distribution of these funds to the students in the entire spectrum of post-secondary educational institutions.

IV. Aid to Institutions. While this report is addressed specifically to the problems and needs of student aid it should be clearly recognized that student aid is not, in itself, a solution to the growing problems of financing post-high school education as a whole. Aid to students must not be confused with aid to institutions. It is quite conceivable that without more adequate facing of the problems of institutional finance neither the quality nor the variety of institutions necessary to meet the needs can be assured.



## TASK FORCE ON STUDENT ASSISTANCE

### Introduction

The concept of an open society, that is, one in which individuals are able to realize their full capabilities without regard to the accidents of birth, has been one of the continuing and most cherished ideals of the people of the United States and their governments. While at different periods of American history the ideal has taken different forms and been applied at different levels of endeavor, the common commitment has been to the removal of artificial barriers to individual and social growth and to the proposition that ability and motivation should be the only legitimate determinant of an individual's development and future. This goal has found its clearest application in the field of education. We have long recognized that a major responsibility of government -- local, state, and federal -- is to educate its citizens commensurate with their abilities, motivation, and the continually expanding needs of society.

Acceptance of this responsibility in the nineteenth century led to development of universal elementary education and to the acceptance by the states of the responsibility to educate teachers. In the first half of the twentieth century universal public secondary education developed, along with a growing awareness of the need to provide post-secondary education for a progressively larger group of American citizens. Finally, in the second half of the Twentieth



Century, we have committed ourselves to the goal of creating opportunity for all qualified and motivated persons for appropriate post-secondary education. This goal was first clearly recognized in the post-World War II G. I. Bill. It was affirmed as explicit national policy by President Johnson and reaffirmed by President Nixon in his first major higher education message to Congress. President Nixon said: "No qualified student who wants to go to college should be barred by lack of money. That has long been a great American goal; I propose that we achieve it now." (Message to Congress, March 19, 1970).

Considerable progress towards this goal has been made over the last two decades both on state and national levels. Within the last decade alone, states have more than tripled (362 per cent) appropriations for higher education, and total expenditures for higher education, public and private, have increased by 234 per cent.<sup>(1)</sup> In the area of student aid designed specifically to increase educational opportunity, New York pioneered with a state program in the mid-50's prior to development of any of the major federal programs. Currently 22 states have developed comprehensive undergraduate student aid programs with total appropriations close to \$230 million.

On the federal level beginning with the National Defense Education Act of 1958 and carrying through the decade of the 60's, major progress has been made in the direction of removing economic barriers to post-secondary education through a combination of grants, work-study, and

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<sup>(1)</sup> Millard and Berve, "Higher Education in the States", in The Book of the States, 1970-71, The Council of State Governments, Lexington, Kentucky, 1970: Page 313. Corrected for 1970 from M. M. Chambers' figures.

loans. The National Defense Education Act was reinforced by the Civil Rights Act of 1964 and the Economic Opportunity Act of 1964, the Higher Education Act of 1965, and the Higher Education Amendments of 1968, all of which helped to expand federal efforts to improve higher educational opportunity through reducing economic and racial barriers to post-secondary education. Estimated federal expenditures for student assistance in all forms in 1970 exceeded \$2 billion.(2)

However, in spite of the progress that has been made, the gap between the ideal and present reality is still great. The continuing challenge to all citizens is how to close this gap. In the period immediately ahead, critical decisions must be made. Current federal legislation providing student aid will expire in 1971. A new or revised higher education act must be passed to take its place if federal support of student aid is to be provided proportionate to need. States are finding it progressively more difficult to maintain, much less expand, existing programs. Current public concern over student unrest has at least temporarily created public resistance to the higher appropriations required to meet constantly increasing post-secondary educational costs. At the same time there is a growing awareness that many people with potential talents are under-employed due to lack of true access to the education required to qualify them for existing employment opportunities. Still others are trapped in jobs not proportionate to their potential abilities. The nation has recognized that one of the basic causes of wasted talent is the

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(2) Millard and Berve, op. cit., Page 319. Includes training grants, fellowships and traineeships, "other student assistance", and student loan programs (from unpublished figures, U. S. Office of Education.)

presence of artificial barriers to equal educational opportunity.

Long-run solutions to the problems of poverty, welfare, ghettos, drug abuse, and pollution will be more difficult and in some cases

impossible without more effective education made more accessible to all citizens who can profit from it. Legally many of the barriers to educational opportunity have been removed. In reality many remain.

By far the most serious of these is the economic barrier.

Local, state, and national programs of student assistance must be seen in the light of the goal of equal educational opportunity -- and in relation to the respective responsibilities of parents, students, institutions, states, and the nation in achieving that goal.

# Section I - The Students and the Changing Needs.

The Task Force on Student Assistance of the Education Commission of the States first examines the characteristics of the students who need financial assistance. Are they changing in number, in financial ability, and in types of education sought? After years of remarkable growth, are colleges in danger of pricing themselves out of the market? Indeed, do we even have the proper mix of post-high school educational opportunities for the very students who need them most -- those now denied access because of economic barriers?

During the past 15 years, America's college-age population has increased nearly 70 per cent and the percentage of that group enrolled in college has also increased -- by 50 per cent.<sup>(3)</sup> This double-barreled growth, both in the size of the over-all customer group and in the percentage of that group who chose to continue as students, has been a dominant factor for so long, it may be difficult to accept the premise that this growth pattern is changing. The evidence seems clear, though, that we are indeed faced with a slowing down of expansionary pressures.

The change in growth rate of the 18 - 21 age group is evidenced by the following percentage increases by five-year periods:

Table 1 (4)

1955 to 1960	12.2%
1960 to 1965	28.7%

<sup>(3)</sup>Allan Carter, unpublished report for College Entrance Examination Board, Chapter VIII, "Future Prospects," Page 1.

<sup>(4)</sup>Ibid.

1965 to 1970	18.3%
1970 to 1975	12.8%
1975 to 1980	5.1%
1980 to 1985	-9.3%
1985 to 1990	-6.2%

Not only will the growth rate of this pool slow down, but the percentage increase of those within the group who choose to continue post-high school education will also slow down the closer we approach 100 per cent participation. Indeed, there already is a higher percentage of the 18 - 21 year old group which presently is receiving at least two years of post-high school education than exists in any other nation in the world.

It appears we are nearing an exhaustion of the supply of college-able students who also have access to adequate financial resources to permit them to continue their education. Little increase in the percentage of students who attend college from upper-income families can be expected since, for all practical purposes, as high a percentage as can be expected are already in college.

It is important to distinguish between "college" attendance and "post-secondary" attendance. There could in fact be a decrease in college attendance in the traditional sense and a more than offsetting increase in the total post-secondary enrollment if, for example, expanded student aid programs were directed more clearly to community colleges and post-high school vocational and technical schools than is now the case.

This is not to suggest that post-secondary enrollment will decrease even after 1980, nor that pressure for increased enrollment will not be considerable at least through the latter part of the 1970s. It is however, to recognize clearly that increases in enrollments will come primarily in students from lower-income families and lower-ability groups (as currently measured). This can be rather dramatically illustrated. In 1968 approximately 79 per cent of the nation's college-age group completed high school. Of high school graduates about half (48 per cent) went on to college immediately and another 10 per cent would attend college eventually after varying periods of delay. This meant in 1968 that about 45 per cent of each age group would eventually begin some form of post-secondary education and about half of these would complete a bachelor's degree. Total undergraduate enrollments in 1968 were approximately 6.1 million students or about 45 per cent of the 18 - 21 year old population.<sup>(5)</sup>

Carnegie Commission on Higher Education projections for 1980 indicate that about 85 per cent of the age group will complete high school and about 66 per cent of these will eventually enter college. If this is the case then about 56 per cent of the age group will attend college or post-secondary institutions at some time and total undergraduate enrollments will approximate 10 to 10.7 million or about 58 - 63 per cent of the 18 - 21 year old population. To this also will have to be added the increasing percentage of students over 21 in post-secondary education. Census projections estimate an increase in over-21 year old students

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<sup>(5)</sup> These figures include community colleges but not other post-high school technical and vocational institutions.

in post-secondary education of from 36 per cent in 1966 to 46 per cent in 1985. (6)

Concentrating for the moment on the 18 - 21 year old age group, a preliminary estimate of college entry rates by abilities and family income status comparing 1968 and 1980 will indicate rather clearly who the new students will be.

Table II (7)

Academic Aptitude	1968			1980		
	Family Income			Family Income		
	High	Low	Total	High	Low	Total
Top Half	.82	.56	.69	.87	.67	.77
Bottom Half	.32	.14	.23	.44	.26	.35
Total	.57	.35	.46	.67	.46	.56

This table shows that most of the increases will occur among students in the lower half in income (60 per cent) and/or in the lower half in aptitude (also 60 per cent).

The current inequity in distribution of college (8) attendance is more clearly illustrated in the following table of estimated percentages of high school graduates (not just of age group) entering college by family income and academic aptitude in 1968-1970.

(6) John K. Folger, "Student and Financial Aid for a Universal Access Model of Higher Education, Pages 1 and 2.

(7) Ibid.

(8) "College" in the following table includes community colleges but not necessarily other vocational-technical schools for which figures are not readily available.

Table III

		A C A D E M I C		A P T I T U D E (9)	
<u>Family Income</u>		<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Total</u>
Below \$4,600	Total	17%	23%	54%	23%
	Men	22%	30%	64%	29%
	Women	12%	16%	43%	17%
\$4,600 - 7,499	Total	20%	34%	76%	35%
	Men	26%	45%	86%	45%
	Women	13%	23%	67%	26%
\$7,500 - 10,699	Total	25%	41%	82%	45%
	Men	33%	54%	93%	55%
	Women	18%	29%	72%	35%
\$10,700 plus	Total	56%	79%	95%	79%
	Men	60%	84%	98%	83%
	Women	52%	73%	92%	75%
Total	Total	31%	52%	87%	54%
	Men	37%	61%	93%	61%
	Women	27%	43%	81%	47%

Almost twice as many high-income students continue in post-secondary education as in the lowest income group even when high academic aptitude is the same. In the middle aptitude group, three times as many high-income students continue. In the low aptitude group, three times as many high-income students continue.

If anything is clear it is that the need for financial assistance will increase more rapidly than enrollment. The availability of financial aid, and how it is administered, will increasingly determine who does and who does not go to college.

The need for assistance is currently shared by 71 per cent of America's families, if need is assumed when family income is below \$10,000. (10)

(9) John K. Folger, "Student and Financial Aid for a Universal Access Model of Higher Education", Page 4.

(10) The Economics of Financing Higher Education in the United States, Joint Economics Committee (Congress), U. S. Government Printing Office, 1969, Page 63.



Next to the home mortgage, a college education is the largest investment most individuals ever make. It is simply priced beyond the capacity of most to finance without some form of assistance. Inflation is making this economic barrier even more formidable.

Considerable progress has been made both on the federal and state levels in broadening the income base of college students through grants, work-study, and loan programs. But even today, assured access to a college education in America remains largely restricted to those who can afford it, whether talented or not, and those with more than average talent who are eligible for assistance based upon a combination of need and talent. Too many with ability to benefit and motivation to succeed are uncertain of access or are actually denied access to appropriate post-high school institutions by the lack of required financial resources. To this must also be added those with talent but who, because of economic and social conditions, have considered the possibility of a post-secondary education so far removed that the required motivation has yet to be developed. This would include many students who drop out of secondary or even elementary education without ever reaching a level where the prospects of post-secondary education have any meaning.

This is not to deny that there may be those in college who do not belong there but are present because they can afford to attend. The critical point is that there are larger numbers who would benefit both themselves and society by continuing their education, but who do not now have access due to economic barriers. Today, there is still more myth than truth in the widely held view that "anyone who

wants to badly enough can go to college" or some other appropriate form of post-high school education.

If the expressed goal of both President Johnson and President Nixon -- equal access to education for all who have the ability and the motivation to succeed -- is to be realized, the elimination of artificial economic barriers through financial assistance is a necessity.

## Section II - Questions of Public Policy.

If we accept the obvious, that assistance is needed, we can direct our attention to a series of public policy issues that must be answered before adequate and rational federal, state, and institutional aid programs can be developed. These include the following:

1. Who shall or should pay for post-high school education - parent-student, society, or a combination of both, and at what levels? The trend is toward an increasing portion of the cost being borne by the combination of parent and student. In addition, the total cost is rising faster than the economic growth of the nation.
2. What aids should be used and in what combinations, (that is, grants, work-study, loans, or combination)? How shall these be "packaged"?
3. Should aid go directly to students or indirectly through institutions to students, or through a combination of both? What implications in relation to change and status quo do these alternatives pose?
4. To what sectors of society should the highest priority be given? to the impoverished, to racial minorities, to the especially able?
5. What priority should student financial aid have in relation to other needs within higher education, within education as a whole, and within the total context of society's needs?
6. Who shall have access to post-high school education and what is meant by "equal access"? Is the opportunity a privilege or a right?

7. How are scarce resources best allocated in student aid to achieve equity if the needs are greater than the available funds?

8. Should a dual system of public and private higher education be maintained? If so, is there a public obligation through student aid to help meet the problem of tuition differentials between public and private institutions?

9. Should financial aid be used to help meet society's needs? Is student aid an effective and proper means for encouraging a student to enter a given field in order to meet society's manpower shortages? Conversely, should aid resources be directed away from areas where there is an oversupply of persons in a particular field?

10. How can existing educational resources be better utilized including an aid system which takes into account the disparity in aid funds available at different institutions?

11. Who should administer student assistance funds to achieve equity -- the federal government, state agencies, institutions, or combinations of these?

The way these questions are answered of how student assistance should be organized, funded, administered, and evaluated will have an important effect on the future of post-secondary education in the United States.

Fifteen years ago, the bulk of financial aid funds was to be found in the private colleges and universities. The picture was dominated by the several score best-endowed institutions. Probably half of the scholarship aid available in higher education was distributed by not more than 100 private institutions. Fifteen years from now it seems likely that these same institutions will account for less than 10 per

cent of the total, and half or two-thirds of such aid will probably be distributed by public institutions. Within the private sector fifteen years ago most scholarship aid -- and 75 per cent or more of all forms of student aid -- came from funds under control of the individual institutions. By 1985 it seems quite probable that less than half of all scholarship money will be controlled by the institutions themselves, and up to three quarters of total aid will originate in public programs at the state and federal levels.

Thus, while institutional policies and procedures will remain important as a means of accomplishing institutional ends, the need to give greater emphasis to meeting the needs of students and society is forcing a shift of responsibility for national student aid policy to public agencies.

In this arena of rapidly changing conditions, the federal government and most states in recent years have reexamined existing programs designed to reduce financial barriers to post-high school education and instituted programs which seek to widen the freedom of choice of institution by every student regardless of economic considerations. Every state has some form of student aid. While non-need based tuition subsidy in the form of legislative appropriations for the operations of public institutions remains the major form of student aid, there are many supplementary forms. At least 21 states have some form of state scholarship or grant aid. Presently, state programs of student assistance in the tax-supported post-secondary educational institutions are inadequate to meet the needs of citizens. State programs generally are even less effective for students attending

non-public institutions. Likewise, the federal government does not pretend that its programs are adequate even when combined with state and private programs.

That a gap still exists is universally recognized and accepted by all who have examined the facts. Such national debate as is occurring today is not over the need for increased access, but rather over the best means to an agreed upon end -- equal access, the extent of the need, and how to finance equal access.

Some idea of the size of the gap now and as projected, utilizing present dollars and costs and not compensating for possible inflation, if the student population were to reflect the different income classes proportionate to the number of families in each income group, is suggested in a current study by John K. Folger (see Appendix B.)<sup>(11)</sup> Given the 6.1 million students in 1968 and assuming that they were distributed according to proportionate income group sizes in the total population (which they were not), estimated total direct student aid costs, not including loans or work-study, would have been \$2.5 billion nationally. Adjusting this for current under-representation of low-income groups among college students, it would still have amounted to \$1.0 - \$1.2 billion. Assuming a greater distribution of low-income students in 1980 in community colleges, and increasing numbers of commuting students, the total aid needed for the 10 - 10.7 million students in 1980 would be on the order of \$2.0 - \$2.2 billion in grant aid alone. In addition, there would have to be massive

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<sup>(11)</sup> John K. Folger, "Students and Financial Aid for a Universal Access Model of Higher Education", pages 9 - 11. See Appendix B.

expansion of self-help provisions -- work-study, student loans -- plus major increases in appropriations to public institutions where most of the increased enrollment will occur.

In contrast with need the total amount of aid available in grants plus work-study funds from federal sources, not including loans or funds from the Veterans Administration or the Public Health Service (which are not awarded on the basis of need), in 1968 amounted to \$181,969,621. In 1969 the amount dropped to \$161,336,721. (12)

In 1969 states appropriated \$191,484,130 for direct scholarship aid (not including institutional funds) or more than the total amount of direct aid through federal sources. (13) Thus the total amount from non-institutional state and federal sources in grants and work-study funds came to \$353,820,851. This is in contrast to the \$1 - 1.2 billion need with present family income distribution of college students or the \$2.5 billion need if college students were distributed according to proportionate family income group size in the population as a whole.

The magnitude of the problem of closing the gap between the student financial assistance required and that which is now available will require major increases in both federal and state programs.

The major costs of post-secondary education are and have been borne by the states through legislative appropriations to public post-secondary educational institutions. In theory, benefits have been

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(12) See Tables, Section IV.

(13) See Table V, Page 28.

passed on to students and parents regardless of income through low tuition and fees. In practice, for reasons already explained, these benefits have not been equally available to low-income students.<sup>(14)</sup> However, the development in twenty-one states of direct aid programs, some beginning prior to the federal programs, holds the prospect of improving the situation. State programs constitute one of the most important changes in post-World War II efforts to remove financial barriers to equal educational opportunity. While some states have considered their programs as supplemental to the federal program, others have recognized the basic state responsibility to its citizens and thus view federal funds as essential reinforcement in meeting their state responsibilities. There is great need for still further clarification of the respective responsibilities of state and federal governments and the development of goals for each.

With both the federal and state governments, goals are rarely explicit. Public policy is often difficult to discern or contradictory. And yet, as is true with every public issue, before a specific program can be developed to meet a need, there must first be resolution of the major questions of public policy. A specific program of action should grow out of consideration of alternate approaches designed to implement public policy. Public policy should not be an inadvertent by-product of the haphazard selection of an action program.

This report is not an attempt to provide specific answers to all of the policy questions it has raised. It is designed to call attention to the importance of facing up to such questions if there is to be

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<sup>(14)</sup> See Pages 6 - 10 in particular.



realistic and rational policy and procedures on national, state, and institutional levels. Unless student aid is rational and realistic, we will not meet the needs of students or society. It does become a matter of prime importance then to define as clearly as possible the central goal or aim of student assistance as well as to indicate what some of the conditions relative to its effective realization may be. Student aid does not occur in a vacuum but in the context of national, state, institutional, and individual student needs, practices, and trends. However, it does seem clear that the central aim of student assistance is to permit the education of citizens commensurate with their abilities, motivation, and the needs of society and not, as such, to build institutions.

Among the problems that cannot be overlooked in considering student aid is the changing relationship between public and private institutions. A marked slowing down in the growth rate of the total higher educational system will place great strains upon the familiar structure of the system. Many weaker independent colleges and universities are likely to disappear -- or become wards of the state. Those that continue are likely to be bolstered by public funds, both state and federal. State aid to independent universities, long a tradition in Pennsylvania, has recently been introduced in New York State and Connecticut and is under serious consideration in Illinois, California, Texas, Massachusetts, and several other states. Over the next fifteen years it seems likely that the distinction between public and private institutions will become increasingly blurred. At the federal level no distinction has been made in the past (other than for church-related institutions under the terms of the 1st Amendment), and some

form of institutional aid to both public and private institutions is likely to become a regular form of public support before the end of this decade.

At the same time that public support of independent institutions is likely to expand in recognition of their contribution to public objectives, the very expansion of higher education will create increasing pressures for tuition charges in public institutions to cover more of the direct instructional costs. Low tuition and fee systems of higher education were more easily supported from state and municipal tax funds when only 10 - 20 per cent of the age group were attending college than when the percentage rises to 50 - 75 per cent. The burden of the public treasury is made heavier at the present time by the fact that in the 1950 - 70 period the 18 - 21 year age group has expanded more rapidly than the total labor force. Thus the tax base has not kept pace with educational demands placed upon it, and state and local tax structures are less progressive than the federal system. This combination of forces is driving many state systems to raise tuition charges more rapidly than in the past but at the same time, seeking to assure access to college on the part of students from low-income families by enlarged grant funds. If we were to hazard a guess, but not make a recommendation, as to future pricing policy systems, we would predict the continuation of near-zero tuition in community colleges, and tuition approaching direct institutional costs in senior institutions both public and private. If this should take place, and all additional revenues were to be directed to student aid, equal educational opportunity might be enhanced. But, if new revenues are used instead to reduce government

appropriations, educational opportunity would surely be seriously reduced.

The greatest change in higher education between 1960 and 1980 is anticipated to be the growth of the two-year college. Ten years ago about one in six of those entering higher education came in through the door of the community or junior college; ten years from now this is likely to be the starting point for one in three.<sup>(15)</sup> Predominantly public, and less costly to the commuting student than other options, they open the opportunity for higher education to everyone without regard to family income in much the same way that the comprehensive high school did for an earlier generation. If the two-year college, as one of its functions, is to be a successful entry point to baccalaureate study, there will need to be more senior institutions that will accept all transfers and they will have to provide more ample financial aid to junior college transfers. Failing that, the two-year college may slip into an unintended second-class category, attended primarily by the educationally and economically disadvantaged. Or it may be converted by public pressure into lower quality four-year institutions. Either of these developments would have undesirable educational and social consequences. The states have a heavy responsibility to insure that the two-year college becomes an equally valued partner in an integrated higher educational system.

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<sup>(15)</sup> See Carnegie Commission on Higher Education, The Open-Door Colleges, New York; McGraw-Hill, 1970, Page 59.

In decades past as already indicated, the greatest share of college scholarship funds were expended by private institutions. This was to be expected in view of their pricing philosophy. In the future, however, if public institutions continue to move in the direction of higher charges and as a majority of new students are recruited from low-income families, the volume of student assistance funds will need to rise dramatically. If opportunity is to remain open, there must be a shift of a larger percentage of governmental appropriations to support of individuals, based on need, rather than a continuation of the policy of directing nearly all the tax dollars to institutions. At present, state funds for student assistance, distributed through state grant programs, constitute only about 3 per cent of state appropriations to institutions. State funds to institutions must be increased, but student aid must be increased even more. At some point there is an optimum distribution of funds to institutions and to financially needy students which will have the maximum effect in increasing educational opportunities. It is toward this point that institutions, the states, and the federal government must strive.

Unless the problems of institutional management and finance are squarely faced neither the quality nor the variety of post-secondary institutions necessary to meet the needs can be assured. The institutions must make special provision to recruit, admit, and retain students from disadvantaged backgrounds. This will require more effective utilization of existing resources and additional support to institutions to compensate for the higher cost of these special services. It will also require institutional, state, and

national programs designed to seek out and encourage the disadvantaged to avail themselves of increased educational opportunities. On both state and federal levels, the real cost of educating poor, disadvantaged, and socially deprived students includes provision for the recruiting, admitting, retaining, and placing of students. The failure adequately to recognize these costs will further delay the translation of legal opportunities into real opportunities.

Most institutions have been attempting to assist disadvantaged students, within the limits of their resources and their definitions of the clientele they seek to serve. However, it is progressively evident that the states and the federal government need to take far more responsibility for developing state and national student aid policies designed to meet the needs of students and society.

### Section III - The States.

The prime responsibility for providing post-secondary educational opportunity for the citizens of the country historically and in present practice rests with the states. Harvard College opened its doors in 1636 with the support of public funds from the Colony of Massachusetts and continued to receive public funds until well into the 19th Century. The first state university, the University of North Carolina, was founded in 1795 followed by the University of Georgia in 1801. While during the 19th and the early 20th Centuries the majority of students going on to post-secondary education attended private colleges and universities, in the last half of the 20th Century this has changed radically. In 1960 the ratio of students in public institutions to students in private institutions was 4 to 3. By 1968 this had shifted to 5 to 2.<sup>(16)</sup> If the present trend continues it is expected that by 1980 approximately 80 per cent of the students will be in public institutions and 20 per cent in private institutions.<sup>(17)</sup>

We have called attention to the fact that state appropriations for higher education have more than tripled in the last decade (362 per cent). In fiscal 1970 total state appropriations for post-secondary education (not including vocational-technical programs operated through State Departments of Education) amounted to \$7,003,798.000.<sup>(18)</sup>

<sup>(16)</sup> Millard and Berve, "Higher Education in the States", in The Book of the States, 1970-71, The Council of State Governments, Lexington, Kentucky, 1970. Page 311.

<sup>(17)</sup> U. S. Office of Education unpublished figures.

<sup>(18)</sup> M. M. Chambers, Grapevine, October 1970. Page 932. Table IV.

The attached table, prepared by M. M. Chambers, indicates the appropriations by states and the percentage increases by two-year and ten-year gains.

These appropriations in all fifty states do represent a major commitment on the part of the states towards extending higher educational opportunity. It must be noted, however, that on the whole such general appropriations extend opportunity through providing a variety of types of institutions available to students on the one hand, and general non-needs based subsidy to students in the form of low tuition on the other. Low tuition does serve as a general subsidy to all students regardless of family or student income level. Subsidized tuition tends to benefit middle- and upper-income students more than lower- and even lower-middle-income students. For students from families at the poverty level or in lower- or lower-middle-income groups with more than one child, the low tuition plus living expenses and loss of income still constitutes a serious barrier to post-secondary educational opportunity. It would seem clear that general tuition subsidy alone will not meet the needs of the coming group of additional students to whom equal opportunity should be made available; that is, students from lower-income and lower ability levels.

This is not to suggest that general support of higher education by the states should be abandoned or seriously altered. It is essential that states continue to support the general public higher educational structures in terms not only of the economic and social benefits accruing from an educated citizenry, but also in terms of the specific



APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION  
IN THOUSANDS OF DOLLARS, FOR FISCAL YEARS 1961, 1969, AND 1971, WITH  
PERCENTAGE GAINS OVER MOST RECENT TWO YEARS AND OVER TEN YEARS

States (1)	Fiscal years ending in odd numbers			2-yr gain		10-yr gain	States (7)
	1960-61 (2)	1968-69 (3)	1970-71 (4)	% (5)	% (6)		
Ala	\$ 22,397	\$ 58,462	74,825	28	234		Ala
Alaska	2,323	10,400	17,000	65 1/2	632		Alaska
Ariz	16,218	55,121	83,351	51 1/4	414		Ariz
Ark	13,551	44,547	54,922	23 1/4	305		Ark
Cal	221,592	637,788	817,126	28	268 1/2		Cal
Colo	24,332	70,586	110,624	57	354 1/2		Colo
Conn	13,080	61,513	97,353	58 1/4	644		Conn
Del	3,734	14,095	20,230	43 1/2	442		Del
Fla	41,412	156,645	241,356	54	455		Fla
Ga	26,605	112,524	148,653	32	451 1/4		Ga
Hawaii	5,825	30,987	55,167	78	847		Hawaii
Idaho	8,799	20,601	31,506	53	259		Idaho
Ill	90,290	301,136	477,546	46 1/2	429		Ill
Ind	50,163	144,715	173,979	20 1/4	247		Ind
Iowa	34,861	85,773	101,597	18 1/2	191		Iowa
Kas	27,938	69,108	82,031	19	194		Kas
Ky	19,672	82,350	108,715	32	453		Ky
La	44,557	99,333	121,813	23	173		La
Me	5,599	17,873	27,783	55 1/2	396		Me
Md	25,166	79,742	120,961	51 1/2	386 1/2		Md
Mass	13,361	69,097	116,093	68	769		Mass
Mich	101,836	262,424	343,691	31	237 1/2		Mich
Minn	38,920	105,131	143,448	36 1/2	268 1/2		Minn
Miss	18,347	47,804	72,189	51	413		Miss
Mo	25,641	112,764	131,571	16 1/2	159 1/2		Mo
Mont	11,231	24,418	29,156	19 1/2	218		Mont
Neb	15,218	33,248	48,386	45 1/2	287		Neb
Nev	4,107	12,339	15,908	29	287		Nev
N H	4,106	10,221	10,938	7	116 1/2		N H
N J	24,457	95,047	154,430	62 1/2	531 1/2		N J
N M	11,239	31,262	41,639	33	270		N M
N Y	94,116	482,986	746,529	54 1/2	693		N Y
N C	30,574	114,709	175,931	53 1/2	475 1/2		N C
N D	9,368	19,888	23,249	17	148		N D
Ohio	45,326	174,136	260,690	50	475		Ohio
Okla	27,020	52,858	69,467	31 1/2	157		Okla
Ore	28,719	67,984	95,901	53	234		Ore
Pa	43,472	264,693	352,787*	33 1/4*	711 1/2*		Pa
R I	5,271	21,545	31,413	46	496		R I
S C	13,141	44,308	68,786	55	423 1/2		S C
S D	8,128	17,152	21,202	24	161		S D
Tenn	17,023	73,137	98,598	35	479		Tenn
Texas	72,133	259,425	343,515	32 1/2	376		Texas
Utah	13,129	33,695	45,320	31	236		Utah
Vt	3,399	10,940	14,758	35	334		Vt
Va	29,861	107,524	136,134	26 1/2	356		Va
Wash	47,441	137,051	190,903	39 1/4	300		Wash
W Va	16,919	49,033	58,719	19	245		W Va
Wis	39,417	155,957	181,237	16 1/4	360		Wis
Wyo	4,935	11,123	14,672	32	197		Wyo
Totals	1,515,979	5,055,087	7,003,798				
V ed average percentages of gain				38 1/2	362		

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ERIC mated in absence of report of complete appropriations.



advantages higher educational institutions bring to the states and community in terms of research, community service, and cultural opportunities to the public at large. There also will be in the period ahead increasing pressure for states to support private higher education to some degree both to preserve the dual system of public and private higher education and to reduce costs to government which would result if private institutions were to disappear due to bankruptcy. Without more adequate facing of the problems of institutional finance neither the quality or the variety of institutions necessary to meet the needs of the future can be assured.

However, it is also clear, that neither in the present nor in the foreseeable future will general support of institutions and low tuition as such provide the equality of opportunity commensurate with the American goal. If economic barriers are to be removed then direct aid to students from poverty and lower-income level families becomes essential on the state as well as on federal and private philanthropic levels.

A number of states have clearly recognized the need for comprehensive undergraduate programs of financial aid based upon need. As already indicated New York State had initiated such a program before the advent of federal student aid programs. Currently (1970-71) 21 states are expending some \$229,319,302 in explicit student aid, an increase of some \$38,000,000 over the previous year. However, even among the 21 states the picture is far from even. Some 6 states account for \$196.5 of the \$229.3 million appropriated or 85.7 per cent. New York alone accounts for 28.5 per cent of the appropriated funds. The

attached table lists the states with programs, comparative appropriations in 1969-70 and 1970-71, the number of awards, and the average amount awarded.

Further analysis shows that of the 21 states with programs only 13 make awards primarily on the basis of need and of these only 7 allow students to utilize the funds at out-of-state as well as at in-state institutions. Seven states have programs providing funds which can only be used at non-public institutions. These are rather clearly tuition equalization grants in contrast to basic need grants although they may and, in fact, are in each case linked to a need factor.

In spite of the variations in existing programs, the development of state comprehensive aid programs is one of the most significant contributions since World War II to improved educational opportunity. The existence of these programs clearly underlines the recognition on the part of some states of a particular obligation to the most needy students. It should be noted that most of the states with student aid programs are relatively high-income states. New York with the most extensive program is eighth in the nation in terms of relatively fewer numbers of families with incomes under \$3,000.00. Connecticut and Massachusetts, which are respectively first and second, with fewest families in the under \$5,000.00 category and second and first in the under \$3,000.00 category, both have programs. Of the 17 states that are in the top third in family income, all but four have a general direct student aid program. Of the 17 states in the bottom third in family income, only 2 have a general state student aid program, and both of these programs are very small (state student aid programs

Table V

TOTAL DOLLARS APPROPRIATED BY STATE FOR COMPREHENSIVE UNDERGRADUATE STATE  
PROGRAM OF FINANCIAL AID BASED UPON NEED (COMPETITIVE AND NONCOMPETITIVE)  
FOR RESIDENTS OF THE STATE TO ATTEND EITHER PUBLIC OR NONPUBLIC COLLEGES OR UNIVERSITIES

STATE	COMPARATIVE REPORT									
	FOR 1969-70 AND 1970-71 ACADEMIC YEARS									
	TOTAL DOLLARS APPROPRIATED		PERCENTAGE OF TOTAL		NUMBER OF AWARDS		PERCENTAGE OF TOTAL		AVERAGE AWARD	
	1969-70	1970-71	1969-70	1970-71	1969-70	1970-71	1969-70	1970-71	1969-70	1970-71
California	\$ 12,288,475	\$ 15,400,000	6.4	6.7	14,630	18,040	3.0	3.1	\$837	\$854
Connecticut	877,500	1,300,000	.5	.6	1,440	1,975	.3	.3	609	658
Florida	*	1,520,000	-	.7	*	2,200	-	.4	*	691
Illinois	26,000,000	32,600,000	13.6	14.2	38,475	48,000	7.9	8.3	676	679
Indiana	3,080,000	3,140,000	1.6	1.4	6,550	7,214	1.3	1.2	470	435
Iowa	1,762,500	3,298,552	.9	1.4	2,275	4,186	.5	.7	775	788
Kansas	150,000	150,000	.08	.07	409	300	.08	.05	367	500
Maine	61,000	0	.03	-	150	0	.03	-	407	-
Maryland	2,900,000	2,750,000	1.5	1.2	7,250	6,512	1.5	1.1	400	422
Massachusetts	2,000,000	3,500,000	1.0	1.5	3,000	6,500	.6	1.1	667	538
Michigan	12,500,000	12,867,000	6.5	5.6	24,030	22,758	4.9	3.9	526	565
Minnesota	775,000	1,475,000	.4	.6	1,293	2,460	.3	.4	603	600
New Jersey	11,850,000	18,836,000	6.2	8.2	26,658	31,700	5.5	5.5	445	594
New York	58,800,000	65,500,000	30.7	28.5	263,000	309,372	53.9	53.3	224	212
Ohio	*	8,500,000	-	3.7	*	15,000	-	2.6	*	567
Oregon	815,400	530,000	.4	.2	6,961	4,140	1.4	.7	117	128
Pennsylvania	51,900,000	51,400,000	27.1	22.4	77,400	85,000	15.9	14.7	671	605
Rhode Island	1,500,000	1,629,750	.8	.7	2,000	2,173	.4	.4	750	750
Vermont	1,099,255	1,310,000	.6	.6	2,100	3,150	.4	.5	523	416
West Virginia	175,000	250,000	.09	.1	625	800	.1	.1	280	313
Wisconsin	2,950,000	3,363,000	1.5	1.5	9,510	8,650	1.9	1.5	350	389
TOTALS	\$191,484,130	\$229,319,302	100.00	100.00	487,806	580,130	100.00	100.00	\$393	\$395

\*Unknown

ISSC  
JDB  
9/70

are less than 1 per cent of state appropriations for higher education in both Florida and West Virginia). (19)

The need for state student financial aid is further underlined and complicated by the uneven distribution within states of student aid funds through institutions. Within a state system itself the variance in aid funds per needy student from institution to institution, even though the majority of such funds may come through appropriations, may be extreme even when tuition and fees at the various institutions are roughly comparable. In many instances the state university which in general tends to draw from a more affluent community than the state colleges and community colleges, will also have the highest ratio of aid available per student of any public institution in the state. In some cases, the total amount of student aid available at such an institution will more than exceed the total funds available in all other state institutions. Take one state as a case in point: In 1968 the appropriations for student aid per student at the state university in this state more than doubled appropriations per student in state colleges, and more than quadrupled the appropriation per student in community colleges. While the community colleges, in general, are commuter institutions and thus do not involve residence costs, the state colleges in this particular state are residential institutions and the cost to students closely approximates the cost at the university.

Such a situation is not atypical; in fact, there is evidence that the situation, if anything, is more extreme in some states. The net

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(19) See Table VI.

result is that it is frequently the very students who most need help for which the help is least available. This is not to suggest that the funds through such a university should be curtailed. It is, however, to suggest the need for reexamination of the purposes for which student aid is awarded and the need for increasing funds at the less favored institutions.

Another factor which contributes to unevenness in opportunity and perhaps further underlines the desirability of reassessing institutional utilization of existing funds in the light of the purposes of student financial aid, is the rather high percentage of such funds that frequently go to students where need is not considered the prime criterion. In another state the public institutions, from funds for aid under their own management, in 1967 provided their undergraduates with four times as much aid for athletic scholarships (\$1,238,487) as they provided for what are described as academic scholarships (\$656,065), that is, aid for students in general academic programs. (20)

During the same period the responding institutions in the study in this state reported that they knew of some 283 undergraduates and 10 graduate students who had to discontinue their studies for financial reasons. This estimate obviously does not include those who never applied or were not able to enroll as a result of financial barriers. This is not to imply that some athletes do not need aid nor is it to suggest that support of athletes is not defensible for other than athletic reasons, but it is to suggest that categorical aid for

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(20) Report of Student Aid Programs, Tennessee Higher Education Commission, Nashville, Tennessee, 1970, Page 2.

athletes should not be confused with student financial aid to meet state and national educational opportunity goals. It is also to suggest that the disproportionate emphasis on athletic support as compared with general student aid at least needs reevaluation.

One of the functions of a state student aid program should be to equalize opportunity among students at various institutions within a state. The function of student aid within an institution is obviously to help equalize opportunity among its own students and potential students by removing financial barriers, but a single institution can do very little to help equalize the general opportunity within a state from institution to institution. A state has a clear obligation that extends beyond the confines of particular institutions.

A discussion of state responsibility to equalize educational opportunity would not be complete without some notation of the differences among states as these relate to post-secondary educational opportunity.

Post-secondary educational opportunity is not equally available to all potential students across the nation. States differ radically in the number of poverty and low level income families within the state.

If a poverty level family is defined as one with a household income of \$3,000 per year or less, the states range from Massachusetts with 9.4 per cent of its households in this category to Mississippi with 34.5 per cent. If one includes low-income families defined as families with from \$3,000 to \$5,000 annual income with poverty families, so that the percentage includes all households with \$5,000 or less income, the discrepancy among states is even wider. In

Connecticut, 18.2 per cent of households fall in this bracket. In Mississippi and Arkansas, on the other hand, half of the households in the state (52.7 per cent in Mississippi, 50.0 per cent in Arkansas) would have to be classed as low- and poverty-income families. Tables VI and VII indicate the widespread incidence of households at the poverty level (\$0 - \$2,999), at the low-income level (\$3,000 - \$4,999), and at the combined poverty and low-income levels among the states.

In addition to the variance among the sheer numbers and percentages of families who would require aid if their young people were to continue their education beyond high school, the actual percentages of 18 to 21 year olds enrolled as undergraduates in any state, by state, and of high school graduates enrolled as first-time undergraduates in any state, by state, further reveal inequality in opportunity for post-secondary education in the various states.

There is a correlation between the percentage of households in the low-income and poverty levels and the percentage of 18 - 21 year olds enrolled as undergraduates. None of the ten states with highest family income appear among the lowest 10 states in percentage of high school graduates or percentage of 18 - 21 year olds enrolled in college and none of the ten states with lowest income appear in the top ten in percentage of high school graduates or 18 - 21 year olds enrolled in college.

The national average of 18 - 21 year olds enrolled as undergraduates is 41 per cent. The national average of high school graduates enrolled as first-time undergraduate students is 58 per cent. However, in Utah, first in the nation, 53 per cent of 18 - 21 year olds are



Table VI

Percentage of Families with Annual Incomes Below \$3,000; with Annual Incomes Between \$3,000 and \$5,000; and with Annual Incomes Below \$5,000 (by state)

State	Below \$2,999		\$3,000-\$5,000		Below \$5,000	
	Rank	Percentage	Rank	Percentage	Rank	Percentage
Massachusetts	1	9.4	7	10.4	2	19.8
Connecticut	2	9.6	1	8.6	1	18.2
New Jersey	3	11.3	3	9.3	3	20.6
Hawaii	4	11.7	9	10.9	4	22.6
Maryland	5	12.5	11	11.1	6	23.6
Michigan	6	13.2	4	9.4	5	22.6
District of Columbia	7	13.7	21	11.9	10	25.6
Illinois	8	14.1	5	9.5	7	23.6
New York	9	14.2	10	11.0	8	25.2
Pennsylvania	10	15.2	17	11.7	12	26.9
Ohio	11	15.3	6	10.1	9	25.4
Rhode Island	12	15.9	15	11.4	13	27.3
Utah	13	15.9	19	11.7	16	27.6
Wisconsin	14	16.0	14	11.3	14	27.3
Indiana	15	16.2	12	11.1	15	27.3
New Hampshire	16	16.2	16	11.5	20	28.7
Delaware	17	16.4	27	13.4	22	29.8
Maine	18	16.4	38	15.3	25	31.7
California	19	16.6	13	11.1	17	27.7
Nevada	20	16.7	20	11.8	19	28.5
Washington	21	17.3	8	10.7	18	28.0
Minnesota	22	17.4	18	11.7	21	29.1
Alaska	23	17.6	2	8.8	11	26.4
Vermont	24	17.6	26	13.3	23	30.9
Colorado	25	17.6	30	13.8	24	31.4
Wyoming	26	19.2	23	12.8	26	32.0
Nebraska	27	19.2	32	14.2	31	33.4
Kansas	28	19.3	28	13.4	28	32.7
Arizona	29	19.6	25	13.1	29	32.7
Oregon	30	19.8	22	12.7	27	32.5
Virginia	31	19.8	31	14.0	32	33.8
Iowa	32	19.9	24	12.8	30	32.7
North Dakota	33	20.6	36	14.9	33	35.5
Idaho	34	21.2	43	15.6	37	36.8
Texas	35	22.0	35	14.7	36	36.7
Missouri	36	22.2	29	13.7	34	35.9
New Mexico	37	22.2	39	15.3	38	37.5
Montana	38	22.3	33	14.2	35	36.5
Georgia	39	22.5	40	15.3	40	37.8
North Carolina	40	22.5	42	15.4	41	37.9

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(Income Table, Continued)

State	Below \$2,999		\$3,000-\$5,000		Below \$5,000	
	Rank	Percentage	Rank	Percentage	Rank	Percentage
South Dakota	41	23.0	34	14.6	39	37.6
Florida	42	23.2	48	17.0	42	40.2
Louisiana	43	25.8	45	15.9	44	41.7
South Carolina	44	25.8	46	16.0	46	41.8
Kentucky	45	26.1	41	15.3	43	41.4
Tennessee	46	26.1	47	16.6	48	42.7
Oklahoma	47	26.5	44	15.7	47	42.2
West Virginia	48	26.7	37	15.0	45	41.7
Alabama	49	29.0	49	17.0	49	46.0
Arkansas	50	31.5	51	18.5	50	50.0
Mississippi	51	34.5	50	18.2	51	52.7

Source: Sales Management, June 10, 1970, page B-3.

Table VII  
States with the Lowest and Highest Percentages of Families  
with Annual Incomes Below \$3,000; with Annual Incomes  
Between \$3,000 and \$5,000; and with Annual Incomes  
Below \$5,000

Rank (Lowest)	Below \$2,999	\$3,000-\$5,000	Below \$5,000
1	Massachusetts	Connecticut	Connecticut
2	Connecticut	Alaska	Massachusetts
3	New Jersey	New Jersey	New Jersey
4	Hawaii	Michigan	Hawaii
5	Maryland	Illinois	Michigan
6	Michigan	Ohio	Maryland
7	District of Columbia	Massachusetts	Illinois
8	Illinois	Washington	New York
9	New York	Hawaii	Ohio
10	Pennsylvania	New York	District of Columbia
(Highest)			
41	South Dakota	Kentucky	North Carolina
42	Florida	North Carolina	Florida
43	Louisiana	Idaho	Kentucky
44	South Carolina	Oklahoma	Louisiana
45	Kentucky	Louisiana	West Virginia
46	Tennessee	South Carolina	South Carolina
47	Oklahoma	Tennessee	Oklahoma
48	West Virginia	Florida	Tennessee
49	Alabama	Alabama	Alabama
50	Arkansas	Mississippi	Arkansas
51	Mississippi	Arkansas	Mississippi

Source: Sales Management, June 10, 1970, page B-3

enrolled as undergraduates in higher education institutions whereas in Alaska, lowest in the nation, only 14 per cent and in North Carolina, next to the bottom, only 24 per cent of 18 - 21 year olds are enrolled. Thus there is a discrepancy of 39 per cent between the highest and the lowest states. Post-secondary educational opportunity in the two states, Utah and Alaska, is clearly unequal.

Tables VII, IX, and X indicate percentages by state in both 18 - 21 year olds enrolled as undergraduates and high school graduates enrolled as first-time undergraduates.

Not only is there a serious problem of equality of opportunity within states, which rather clearly calls for greater effort within the states, there is an equally serious or more serious inequality among states which calls not only for increased state efforts but underlines the need for a national effort if the national goal of basic higher educational opportunity with financial barriers removed is to be achieved.

Table VIII  
RATIO OF RESIDENTS OF STATE ENROLLED AS UNDERGRADUATES IN ANY STATE (21)  
TO NUMBER OF 18-21 YEAR OLDS IN STATE (1968)

<u>State</u>	<u>Student Residents</u>	<u>Number of 18-21 Year Olds</u>	<u>Ratio</u>
Alabama	80,648	254,700	.32
Alaska	4,207	29,200	.14
Arizona	59,898	125,300	.48
Arkansas	44,682	133,000	.34
California	704,728	1,413,500	.50
Colorado	64,229	150,900	.43
Connecticut	97,416	189,800	.51
Delaware	11,709	38,100	.31
Dist. of Columbia	17,937	59,900	.30
Florida	160,444	424,800	.38
Georgia	86,835	352,900	.25
Hawaii	22,068	68,100	.32
Idaho	25,089	48,900	.51
Illinois	332,353	701,800	.47
Indiana	121,682	341,600	.36
Iowa	81,036	178,000	.46
Kansas	74,218	164,500	.45
Kentucky	71,834	229,600	.31
Louisiana	94,331	268,600	.35
Maine	18,421	70,400	.26
Maryland	99,404	271,600	.36
Massachusetts	170,968	352,500	.49
Michigan	236,564	583,900	.41
Minnesota	108,397	240,400	.45
Mississippi	56,435	170,600	.33
Missouri	120,211	298,000	.40
Montana	23,362	51,800	.45
Nebraska	46,025	102,900	.45
Nevada	9,461	35,600	.27
New Hampshire	16,322	46,700	.35
New Jersey	207,584	449,400	.46
New Mexico	31,843	82,600	.39
New York	600,626	1,161,300	.52
North Carolina	90,529	385,200	.24
North Dakota	22,815	47,900	.48
Ohio	271,004	713,100	.38
Oklahoma	79,095	171,500	.46
Oregon	66,459	138,300	.48
Pennsylvania	294,698	731,300	.40
Rhode Island	24,704	63,800	.39

Continued next page --

(Table VIII, Continued)

Ratio of Residents of State Enrolled as Undergraduates in Any State to  
Number of 18 - 21 Year Olds in State (1968)

<u>State</u>	<u>Student Residents</u>	<u>Number of 18-21 Year Olds</u>	<u>Ratio</u>
South Carolina	41,993	210,900	.20
South Dakota	22,765	48,100	.47
Tennessee	86,045	277,800	.31
Texas	302,136	814,800	.37
Utah	41,103	77,800	.53
Vermont	9,384	27,700	.34
Virginia	97,698	371,100	.26
Washington	107,227	231,100	.46
West Virginia	39,615	121,400	.33
Wisconsin	122,230	275,200	.44
Wyoming	11,799	22,800	.52
50 States and D.C.	5,632,266	13,809,000	.41

(21) Carnegie Commission for Higher Education.

Table IX  
RATIO OF RESIDENTS ENROLLED AS FIRST-TIME UNDERGRADUATES IN INSTITUTIONS  
IN ANY STATE TO HIGH SCHOOL GRADUATES  
(1968)

<u>State</u>	<u>Student Residents</u>	<u>Number of High School Graduates</u>	<u>Ratio</u>
Alabama	21,475	45,799	.47
Alaska	1,334	2,905	.46
Arizona	20,548	21,054	.98
Arkansas	13,762	25,274	.54
California	192,129	256,235	.75
Colorado	18,357	29,989	.61
Connecticut	26,190	38,974	.67
Delaware	3,453	7,121	.48
Dist. of Columbia	5,526	6,822	.81
Florida	43,804	67,211	.65
Georgia	22,471	55,470	.41
Hawaii	7,196	11,230	.64
Idaho	7,264	11,751	.62
Illinois	94,191	139,253	.68
Indiana	32,531	70,033	.46
Iowa	24,123	45,871	.53
Kansas	21,522	33,693	.64
Kentucky	19,948	40,326	.49
Louisiana	23,663	47,897	.49
Maine	5,157	15,014	.34
Maryland	25,468	48,937	.52
Massachusetts	50,380	76,530	.66
Michigan	64,349	126,558	.51
Minnesota	32,352	61,686	.52
Mississippi	18,668	29,225	.64
Missouri	33,782	59,851	.56
Montana	6,763	11,642	.58
Nebraska	12,777	22,871	.56
Nevada	2,717	5,053	.54
New Hampshire	4,527	10,086	.45
New Jersey	56,027	95,082	.59
New Mexico	7,766	15,676	.50
New York	157,537	223,000	.71
North Carolina	26,427	64,994	.41
North Dakota	6,725	10,768	.62
Ohio	74,892	147,530	.51
Oklahoma	22,098	35,445	.62
Oregon	19,709	31,022	.64
Pennsylvania	74,198	171,275	.43
Rhode Island	7,471	11,189	.67

Continued next page --

(Table IX, Continued)

Ratio of Residents Enrolled As First-Time Undergraduates In Institutions  
In Any State to High School Graduates (1968)

<u>State</u>	<u>Student Residents</u>	<u>Number of High School Graduates</u>	<u>Ratio</u>
South Carolina	13,252	34,367	.39
South Dakota	6,935	12,497	.55
Tennessee	22,469	48,522	.46
Texas	81,033	133,192	.61
Utah	9,668	16,999	.57
Vermont	2,734	7,968	.34
Virginia	27,280	57,790	.47
Washington	35,828	49,190	.73
West Virginia	11,283	26,899	.42
Wisconsin	34,043	71,473	.48
Wyoming	3,684	5,293	.70
50 States and D.C.	1,557,486	2,701,000	.58

Table X

States with the Highest and Lowest Percentage of High-School Graduates in First-Time Enrollment -- as Compared with States with the Highest and Lowest Percentage of 18-21 year olds in Undergraduate Enrollment (22)  
(1968)

States with highest percentage of high-school graduates in first-time enrollment		States with highest percentage of 18-21 year olds in undergraduate enrollment	
State	Percentage	State	Percentage
Arizona	98%	Utah	53%
District of Columbia	81	New York	52
California	75	Wyoming	52
Washington	73	Connecticut	51
New York	71	California	50
Wyoming	70	Massachusetts	49
Illinois	68	Arizona	48
Rhode Island	67	Oregon	48
Connecticut	67	Illinois	47
Massachusetts	66	South Dakota	47
(National average)	(58%)	(National average)	(41%)
State with lowest percentage of high-school graduates in first-time enrollment		States with lowest percentage of 18-21 year olds in undergraduate enrollment	
State	Percentage	State	Percentage
Maine	34%	Alaska	14%
Vermont	34	North Carolina	24
South Carolina	39	Georgia	25
Georgia	41	South Carolina	26
North Carolina	41	Virginia	26
West Virginia	42	Maine	26
Pennsylvania	45	Nevada	27
New Hampshire	45	District of Columbia	30
Tennessee	46	Tennessee	31
Alaska	46	Delaware	31
Indiana	46	Kentucky	31

(22) Estimates derived by the Carnegie Commission for Higher Education staff using Bureau of the Census, Current Population Report, Series P-25, Nos. 375 and 416, and 1960 Census data from the states.



#### Section IV - The Nation.

The decade of the Sixties has been a period of major growth in awareness of national responsibilities for increasing post-secondary and higher educational opportunity for a progressively wider range of individuals in society. While major federal aid to students was made available through the G. I. Bill after World War II and continues to be available through the Veterans Administration to veterans, not need but service in the armed forces was and is the prime criterion for such aid. Similar comments could be made about Social Security payments which constitute a major source of non-needs based federal assistance to students. Beginning, however, with the National Defense Education Act of 1958, the federal emphasis for the Sixties on aid as a means of removing financial barriers to post-secondary education for lower-income, poor, and disadvantaged persons, utilizing need as a major criterion for such aid, has become progressively more clear. Higher and post-secondary education have become recognized not only as state and local resources but as national resources. In turn, the availability of post-secondary educational opportunity is now considered not just a privilege but as a right of those individuals, regardless of economic circumstances or race, who could profit from it and add to the national reserve of educated manpower. Following the National Defense Education Act, a series of acts during the Sixties extended the range of student assistance based on need both to students in general and to students in specialized areas. The Health Professions National Assistance Act of 1963 provided loans for needy students in the health fields. The Civil Rights Act of

1964 enabled institutions to deal with special student problems brought about through desegregation. The Nurses Training Act of 1964 provided funds for needy nursing students. The Economic Opportunity Act of 1964 inaugurated the Work-Study program. The Health Professions Educational Assistance Amendments of 1964 provided grants to students in the health professions. The landmark Higher Education Act of 1965 included the Educational Opportunity Grants program, extended the loan program initiated under NDEA, provided for the guaranteed loan program, extended the Work-Study program, and provided for additional graduate fellowships. The Education Professions Development Act of 1967 opened up further opportunities in teacher education in its various forms. The Higher Education Amendments of 1968 not only strengthened the Educational Opportunity Grants, the NDEA loan program, and the Work-Study programs but through Upward Bound, Talent Search, and Special Services provided for early identification, remedial work, and recruitment of the disadvantaged. The Health Manpower Act of 1968 further extended aid programs in health areas. During the same period veterans programs were extended and funded at higher rates.

By 1969 federal funds from all sources and for all purposes allocated for student assistance had passed the \$2 billion mark.<sup>(23)</sup> However, by 1969 a plateau in funding had been reached. In particular programs appropriations were already being cut back. The most notable case was the Economic Opportunity Grants program which was reduced by \$34.6 million in 1969 over the appropriation for 1968.

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<sup>(23)</sup> See Table XI.

While the College Work-Study program was increased by approximately \$11 million in 1969 and the interest subsidy portion of the guaranteed loan program was increased by \$3.8 million the net loss in basic programs was close to \$20 million. But regardless of specific amounts, by the end of the decade, the principle and the goal of moving towards equality of higher educational opportunity for all citizens commensurate with their interests and abilities through removal of economic barriers had been fairly firmly established both by Presidential statement and Congressional action. As already noted, President Nixon reaffirmed this goal as the central issue in his higher education message of 1970.

But the question inevitably arises: To what extent has the federal government moved to help translate this goal into reality within the programs enacted and the funds appropriated to date? Do students from all sections of the country, from the ghetto, and from rural poverty areas have equal access in the light of their needs to the funds available? To what extent are students from certain sections of the country, preparing for certain professions, with certain background experiences that may or may not be related to need, given preference? These are not easy questions to answer as there are other legitimate ends to be served in relation to which creating equality of post-secondary educational opportunity is neither a fiscal nor a political possibility.

However, it should be recognized that of the over \$2 billion in federal funds for assistance of students allocated in 1969 only \$363,836,721 went into basic programs handled through the U. S. Office

of Education. Almost twice that amount (\$687,389,627) was expended through the Veterans Administration and close to three times that amount (\$958,448,354) was expended by the Public Health Service. (24)

This is not to say that veterans' educational benefits should be cut, nor is it to deny the national need for strengthening the health professions, both of which are important and legitimate goals. But it is to put the question of aid on a need basis in a perspective which recognizes that a veteran going into the health profession has a decided advantage over the promising black young man or woman of the ghetto or the impoverished rural farm child in the south.

But to carry the question further, are the funds appropriated through the U. S. Office of Education for basic student aid, that is, for the Educational Opportunity Grants program, the College Work-Study program, the NDEA loan program, and insured loan reserves (guaranteed loan program) so distributed as to approximate equality of access to needy students across the nation? At least some serious attempt has been made in the authorizing legislation to develop allocation formulae to encourage, if not insure, equitable distribution. The Educational Opportunity Grants program (Higher Education Act of 1965, Title IV: Part A, Section 405 [a]) requires that "the Commissioner shall allot to each state an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such state bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the states." Essentially the

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(24) See Table XI.

same language is used in Title II for funds under the NDEA student loan program. While such a formula provides for awarding funds on a student population base, it does not take into account the variance in potential student pool within states including either the 18 - 21 year old population, the number of high school graduates, or the income level of the families within the states. Yet the Economic Opportunity Grants program is in many respects the fundamental aid program of direct grants to meet the needs of the most impoverished students and the NDEA loan program is the basic unit in enabling impoverished students to help themselves. The formula for distribution of reserve funds for the guaranteed loan program unlike EOG and NDEA is not based upon college population but upon the proportion of 18 - 22 year olds per state to the 18 - 22 year old population of the nation (Title IV: Section 422 [b] [1]). The most complex formula is for allotment of funds for the Work-Study program. One third of the funds are allotted on the basis of proportionate college population; one third on proportionate number of high school graduates; and, one third "will be an amount which bears the same ratio to such one third as the number of related children under 18 years of age living in families with annual income of less than \$3,000 in such state bears the number of related children under 18 years of age living in families with incomes of less than \$3,000 in all the states" (Title IV: Section 422 [b] [3]).

Actual allotments under each of these programs plus veterans' affairs and public health for 1969 appear in Table XI. A similar table (Table XII) for the four U. S. Office of Education programs for 1968

with student enrollments of residents of the states (whether enrolled in state or out of state) follows. (25)

1968 figures are used in Table XII since state student resident enrollment figures are not available for 1969. In order to obtain comparable figures by state in terms of what the allocations mean per state we have developed tables by program and by total funds for all four programs on a per student resident of the state base and a per 18 - 21 year old population base. (Tables XIII, XIV, XV, XVI, and XVII). While the student resident figures are not available for 1969, the tables were cross-checked for rank order and proportionate amounts in 1969 using the assumption that while there were increases in numbers of students no radical change in distribution of student residents or 18 - 21 year olds took place. While the amounts per state particularly in the Educational Opportunity Grants program shrank considerably as a result of the \$34.6 million reduction in funds and increased slightly in the College Work-Study program and the insured loan reserves, the proportionate amounts received and the rank order of states remained substantially the same utilizing 1969 allotment figures.

The first striking characteristic the 1968 tables reveal is the marked differentials among the states in each category. For example, in the EOG program the amount per student resident allotted by state varied from a high of \$23.85 for the District of Columbia to a low of \$4.31 in New Jersey. The national average for 1968 for all states was \$8.94.

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(25) Student enrollment figures in Table XII from Table VIII, page 37.

Table XI  
FEDERAL FUNDS FOR STUDENT FINANCIAL AID - FISCAL 1969

Page 1 of 3

U. S. Office of Education - State Allotments for Fiscal 1969 [1]							Public [3] Health Service (NIH)	Veterans [2] Adminis- tration	GRAND TOTAL
STATE	Educational [4] Opportunity Grants	Contribution [5] to Loan Funds	Advances for Reserve Funds	College [6] Work-Study	Total USOE				
Alabama	\$ 224,391	\$ 2,769,059	\$ 240,462	\$3,563,082	\$ 6,796,994	\$10,584,061	\$ 9,666,565	\$ 27,047,620	
Alaska	6,759	83,411	25,000	123,734	238,904	711,314	512,984	1,463,202	
Arizona	178,162	2,198,575	95,735	1,339,632	3,812,104	8,369,160	2,639,815	14,821,079	
Arkansas	150,096	1,852,231	122,516	2,140,576	4,265,419	4,803,114	2,752,181	11,820,714	
California	1,588,745	18,603,955	1,079,211	11,874,064	33,145,975	99,113,402	121,967,034	254,226,411	
Colorado	231,045	2,851,175	127,164	1,603,919	4,813,303	13,907,696	13,027,151	31,748,150	
Connecticut	197,003	2,431,081	146,810	1,505,555	4,280,449	13,249,926	19,824,263	37,354,638	
Delaware	30,112	371,592	29,209	293,787	724,700	1,097,430	300,510	2,122,640	
Dist. of Columbia	133,639	1,649,155	63,305	707,424	2,553,523	20,928,411	12,306,296	35,788,250	
Florida	374,882	4,626,170	325,297	3,910,790	9,237,139	28,585,574	15,760,265	53,582,978	
Georgia	267,016	3,295,074	306,131	3,976,902	7,845,123	12,321,583	11,799,711	31,966,417	
Hawaii	55,757	328,050	56,820	481,321	921,948	2,855,998	3,445,611	7,223,557	
Idaho	65,716	810,958	46,098	549,749	1,472	1,582,470	208,260	3,663,251	
Illinois	779,496	9,619,251	642,626	6,321,681	17,363,000	52,775,367	47,212,757	117,351,178	
Indiana	438,919	5,416,413	324,610	3,352,294	9,532,236	10,751,280	14,992,612	35,276,128	
Iowa	306,769	3,785,633	180,209	2,425,315	6,697,926	5,477,882	10,843,364	23,019,174	
Kansas	268,352	3,311,557	147,214	1,840,588	5,567,711	6,174,223	7,652,659	19,394,593	
Kentucky	246,033	3,036,124	227,722	3,130,019	6,639,898	5,915,498	7,354,001	19,909,397	
Louisiana	295,639	3,648,290	238,413	3,569,906	7,752,248	9,066,909	13,697,766	30,516,923	
Maine	63,601	784,864	67,789	703,264	1,619,518	1,818,119	1,584,233	5,021,870	
Maryland	233,692	2,423,641	209,577	2,166,864	5,033,774	10,475,056	30,500,119	46,008,949	
Massachusetts	582,486	7,188,071	335,071	3,731,151	11,836,779	16,626,901	80,972,121	109,435,801	
Michigan	716,081	8,836,678	502,588	5,595,807	15,651,154	22,269,589	29,990,129	67,910,872	
Minnesota	374,817	4,625,373	223,911	2,935,632	8,159,733	13,882,077	25,372,332	47,414,142	
Mississippi	189,348	2,336,615	167,857	3,012,946	5,706,766	3,821,372	4,078,786	13,606,924	

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Table XI - continued  
FEDERAL FUNDS FOR STUDENT FINANCIAL AID - FISCAL 1969

Page 2 of 3

STATE	U. S. Office of Education - State Allotments for Fiscal 1969 [1]					Veterans [2] Adminis- tration	Public[3] Health Service (NIH)	GRAND TOTAL
	Educational [4] Opportunity Grants	Contribution [5] to Loan Funds	Advances for Reserve Funds	College [6] Work-Study	Total USOE			
Missouri	\$ 403,904	\$ 4,984,316	\$ 286,755	\$ 3,526,985	\$ 9,201,960	\$13,098,959	\$ 28,225,950	\$ 50,526,869
Montana	71,212	878,783	44,594	564,130	1,558,719	2,411,390	1,044,148	5,014,257
Nebraska	152,162	1,877,727	91,696	1,237,427	3,359,012	5,323,916	6,123,314	14,806,242
Nevada	18,450	227,677	25,000	182,457	453,584	1,478,644	219,351	2,151,579
New Hampshire	65,894	813,149	41,218	457,694	1,377,955	1,718,300	3,173,469	6,269,724
New Jersey	279,458	3,448,601	345,575	3,091,504	7,165,138	14,865,633	7,385,073	29,415,844
New Mexico	84,501	1,042,767	74,322	918,722	2,120,312	4,414,877	2,206,600	8,741,789
New York	1,246,151	15,377,924	1,010,476	9,750,536	27,385,087	45,301,151	138,235,134	210,921,372
North Carolina	374,672	4,623,581	375,909	5,091,502	10,465,664	9,871,774	31,115,895	51,453,333
North Dakota	77,737	959,306	43,942	661,478	1,742,463	2,039,945	773,548	4,555,956
Ohio	767,624	9,472,745	639,023	6,464,602	17,343,994	37,137,823	32,201,501	86,683,318
Oklahoma	269,910	3,330,779	166,372	2,264,220	6,031,281	10,358,215	6,443,828	22,833,324
Oregon	208,625	2,574,499	111,571	1,451,453	4,346,148	8,588,646	12,969,183	25,903,977
Pennsylvania	794,694	9,806,789	700,372	7,462,074	18,763,929	43,820,603	62,153,493	124,738,025
Rhode Island	89,654	1,106,358	65,219	632,631	1,893,862	2,968,697	3,237,704	8,100,263
South Carolina	149,781	1,848,346	205,254	2,761,976	4,965,357	4,916,314	2,510,879	12,392,550
South Dakota	75,986	937,693	44,682	721,956	1,780,317	1,702,458	785,122	4,267,897
Tennessee	323,298	3,989,604	270,825	3,757,566	8,341,293	10,021,643	19,987,614	38,350,550
Texas	870,300	8,509,789	705,733	8,655,045	18,740,867	35,686,396	36,567,181	90,994,444
Utah	190,328	1,221,118	70,182	1,022,006	2,503,634	5,058,508	8,273,685	15,835,827
Vermont	50,152	618,888	27,932	356,835	1,053,807	820,246	3,311,247	5,185,300
Virginia	256,960	3,170,977	322,213	3,373,306	7,123,456	8,587,193	10,640,957	26,351,606
Washington	329,238	4,062,906	191,187	2,244,596	6,827,927	14,615,442	22,655,443	44,098,812
West Virginia	149,995	1,850,986	126,142	1,831,616	3,958,739	3,511,849	2,833,088	10,303,676
Wisconsin	396,136	4,888,455	251,701	2,993,747	8,530,039	13,638,805	23,041,840	45,210,684
Wyoming	33,772	416,758	25,000	257,934	733,464	911,857	143,963	1,789,284
Outlying Areas	107,571	1,076,483	305,760	2,910,000	4,399,814	6,955,929	3,727,619	15,083,362
TOTALS	\$15,836,721	\$190,000,000	\$12,500,000	\$145,500,000	\$363,836,721	\$687,389,627	\$958,448,354	\$2,009,674,702



Federal Funds for Student Financial Aid - Fiscal 1969

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- FOOTNOTES -

- [1] Source: American Education, U. S. Office of Education, April 1969; Vol. 5, No. 4, pp. 24-25. Figures do not include those funds allotted on an individual project basis.
  
- [2] Source: Statistical Supplement to Annual Report, Administrator of Veterans Affairs, 1969, pp. 72-73. Estimated selected expenditures by state, fiscal year 1969, for vocational rehabilitation and education.
  
- [3] Source: Public Health Service Grants and Awards. Fiscal Year 1969 funds. Part II: National Institutes of Health. U. S. Department of Health, Education, and Welfare, pp. 402-415. Includes funds for research grants, training grants, and traineeship, fellowship, and research career program awards, undergraduate and graduate.
  
- [4] Higher Education Act, Title IV-A. Amounts represent initial-year awards only.
  
- [5] National Defense Education Act, Title IE.
  
- [6] Higher Education Act, Title IV-C.

Table XII

Page 1 of 4  
DISTRIBUTION OF U. S. OFFICE OF EDUCATION STATE ALLOTMENTS FOR STUDENT FINANCIAL AID -- 50 STATES AND DISTRICT OF COLUMBIA[1]  
FISCAL YEAR 1968

RATIO OF RESIDENTS OF STATE ENROLLED AS UNDER-GRADUATE IN ANY STATE TO NUMBER OF 18-21 YEAR OLDS IN STATE (1968)				U. S. OFFICE OF EDUCATION STATE ALLOTMENTS - FISCAL 1968				CONTRIBUTION TO LOAN FUNDS[3]				INSURED LOAN RESERVES			
State	Student Residents	Number of 18-21 Year Olds	Ratio	EDUCATIONAL OPPORTUNITY GRANTS[2]											
				State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds	State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds	State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds			
Alabama	80,648	254,700	.32	\$ 718,369	\$ 8.91	\$ 2.82	\$ 2,831,305	\$ 35.14	\$ 11.12	\$ 208,441	\$ 2.58	\$ .82			
Alaska	4,207	29,200	.14	21,639	5.14	.74	85,286	20.27	2.92	50,000	11.88	1.71			
Arizona	59,898	125,300	.48	570,370	9.52	4.55	1,860,011	31.05	14.84	3,759	.06	.03			
Arkansas	44,682	133,000	.34	480,519	10.75	3.61	1,893,867	42.39	14.24	7,607	.17	.06			
California	704,728	1,413,500	.50	5,086,242	7.21	3.60	17,106,264	24.27	12.10	992,964	1.41	.70			
Colorado	64,229	150,900	.43	739,673	11.52	4.90	2,915,266	45.39	19.32	95,710	1.49	.63			
Connecticut	97,416	189,800	.51	630,689	6.47	3.32	2,485,729	25.52	13.10	222,413	2.28	1.17			
Delaware	11,709	38,100	.31	96,401	8.23	2.53	230,061	19.65	6.04	10,000	.85	.26			
Dist. of Colum.	17,937	59,900	.30	427,836	23.85	7.14	1,686,226	94.01	28.15	59,818	3.33	1.00			
Florida	160,444	424,800	.38	1,200,155	7.48	2.83	4,730,161	29.48	11.14	299,257	1.87	.70			
Georgia	86,835	352,900	.25	854,832	9.84	2.42	3,150,844	36.29	8.93	156,985	1.81	.44			
Hawaii	22,068	68,100	.32	178,501	8.09	2.62	271,354	12.30	3.98	17,365	.79	.25			
Idaho	25,089	48,900	.51	210,385	8.39	4.30	682,624	27.21	13.96	--	--	--			
Illinois	332,353	701,800	.47	2,495,496	7.51	3.56	9,835,480	29.59	14.01	92,355	.28	.13			
Indiana	121,682	341,600	.36	1,405,165	11.55	4.11	5,538,167	45.51	16.21	46,651	.38	.14			
Iowa	81,036	178,000	.46	982,096	12.12	5.52	3,870,730	47.77	21.75	25,899	.32	.15			
Kansas	74,218	164,500	.45	859,108	11.58	5.22	3,385,997	45.62	20.58	11,157	.15	.07			
Kentucky	71,834	229,600	.31	787,654	10.96	3.43	3,104,373	43.22	13.52	209,493	2.92	.91			
Louisiana	94,331	268,600	.35	946,466	10.03	3.52	3,553,117	37.67	13.29	276,071	2.93	1.03			
Maine	18,421	70,400	.26	203,615	11.05	2.89	802,507	43.56	11.40	10,000	.54	.14			
Maryland	99,404	275,600	.36	748,148	7.53	2.71	2,141,327	21.54	7.77	195,600	1.97	.71			
Massachusetts	170,968	352,500	.49	1,864,781	10.91	5.29	7,349,658	42.99	20.85	143,679	.84	.41			
Michigan	236,564	583,900	.41	2,292,475	9.69	3.93	9,035,316	38.19	15.47	72,229	.31	.12			
Minnesota	108,397	240,400	.45	1,199,948	11.07	4.99	4,729,346	43.63	19.67	20,286	.19	.08			
Mississippi	56,435	170,600	.33	606,182	10.74	3.55	2,389,139	42.33	14.00	24,124	.43	.14			
Missouri	120,211	298,000	.40	1,293,068	10.76	4.34	5,096,358	42.40	17.10	25,980	.22	.09			
Montana	23,362	51,800	.45	227,980	9.76	4.40	898,537	38.46	17.35	--	--	--			
Nebraska	46,025	102,900	.45	487,134	10.58	4.73	1,860,542	40.42	18.08	3,178	.07	.03			
Nevada	9,461	35,600	.27	59,065	6.24	1.66	232,794	24.61	6.54	--	--	--			
New Hampshire	16,322	46,700	.35	210,953	12.92	4.52	831,428	50.94	17.80	10,000	.61	.21			

Table XII - Continued

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DISTRIBUTION OF U. S. OFFICE OF EDUCATION STATE ALLOTMENTS FOR STUDENT FINANCIAL AID -- 50 STATES AND DISTRICT OF COLUMBIA [11]  
FISCAL YEAR 1968

State	RATIO OF RESIDENTS OF STATE ENROLLED AS UNDER-GRADUATE IN ANY STATE TO NUMBER OF 18-21 YEAR OLDS IN STATE (1968)			U. S. OFFICE OF EDUCATION STATE ALLOTMENTS - FISCAL 1968									
				EDUCATIONAL OPPORTUNITY GRANTS [2]					CONTRIBUTION TO LOAN FUNDS [3]				
				Student Residents	Number of 18-21 Year Olds	Ratio	State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds	State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds	INSURED LOAN RESERVES
New Jersey	207,584	449,400	.46	\$ 894,661	\$ 4.31	\$1.99	\$ 3,526,121	\$16.99	\$ 7.85	\$ 49,664	\$ .24	\$ .11	
New Mexico	31,843	82,600	.39	270,522	8.50	3.28	1,066,207	33.48	12.91	57,691	1.81	.70	
New York	600,626	1,161,300	.52	3,989,452	6.64	3.44	15,723,601	26.18	13.54	1,432,353	2.38	1.23	
North Carolina	90,529	385,200	.24	1,199,483	13.25	3.11	4,727,514	52.22	12.27	345,819	3.82	.90	
North Dakota	22,815	47,900	.48	248,870	10.91	5.20	980,870	42.99	20.48	2,770	.12	.06	
Ohio	271,004	713,100	.38	2,457,488	9.07	3.45	8,685,682	35.74	13.58	968,096	3.57	1.36	
Oklahoma	79,095	171,500	.46	864,095	10.92	5.04	3,405,650	43.06	19.86	13,910	.18	.08	
Oregon	66,459	138,300	.48	667,895	10.05	4.83	2,632,370	39.61	19.03	16,034	.24	.12	
Pennsylvania	294,698	731,300	.40	2,544,149	8.63	3.48	10,027,236	34.03	13.71	644,308	2.19	.88	
Rhode Island	24,704	63,800	.39	287,020	11.62	4.50	1,131,228	45.79	17.73	10,000	.40	.16	
South Carolina	993	210,900	.20	479,512	11.42	2.27	1,889,095	45.00	8.96	177,921	4.24	.84	
South Dakota	22,765	48,100	.47	243,263	10.69	5.06	958,771	42.12	19.93				
Tennessee	86,045	277,800	.31	1,035,012	12.03	3.73	4,079,286	47.41	14.68	68,354	.79	.25	
Texas	302,136	814,800	.37	2,786,197	9.22	3.42	8,155,009	26.99	10.01	611,754	2.02	.75	
Utah	41,103	77,800	.53	609,341	14.82	7.83	1,268,662	50.87	16.31				
Vermont	9,384	27,700	.34	160,556	17.11	5.80	632,799	67.43	22.84	35,000	3.73	1.26	
Virginia	97,698	371,100	.26	822,638	8.42	2.22	5,049,292	31.21	8.22	287,160	2.94	.77	
Washington	107,227	231,100	.46	1,054,029	9.83	4.56	4,154,236	38.74	17.98	17,321	.16	.07	
West Virginia	39,615	121,400	.33	480,196	12.12	3.96	1,892,594	47.77	15.59	8,129	.21	.07	
Wisconsin	122,230	275,200	.44	1,268,199	10.38	4.61	4,998,341	40.89	18.16	381,317	3.12	1.39	
Wyoming	11,799	22,800	.52	108,118	9.16	4.74	426,126	36.12	18.69				
50 States & DC	5,632,266	13,809,000	.41	\$50,355,621	\$ 8.94	\$3.65	\$188,995,296	\$33.56	\$13.69	\$8,418,622	\$1.49	\$ .61	

Table XII - Continued

DISTRIBUTION OF U. S. OFFICE OF EDUCATION STATE ALLOTMENTS FOR STUDENT FINANCIAL AID -- 50 STATES AND DISTRICT OF COLUMBIA [1]

Fiscal Year 1968

U. S. OFFICE OF EDUCATION STATE ALLOTMENTS - FISCAL 1968

RATIO OF RESIDENTS OF STATE-ENROLLED AS UNDER-GRADUATE IN ANY STATE TO NUMBER OF 18-21 YEAR OLDS IN STATE (1968)

COLLEGE WORK-STUDY [4]

TOTAL USOE

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State	Student Residents	Number of		Ratio	State Allotment	\$ Per Student Resident		\$ Per 18-21 Year Olds	State Allotment	\$ Per Student Resident		\$ Per 18-21 Year Olds
		18-21 Year	Olds			Student	Resident			Student	Resident	
Alabama	80,648	254,700		.32	\$ 3,288,811	\$40.78		\$12.91	\$ 7,046,926	\$87.38		\$27.67
Alaska	4,207	29,200		.14	114,209	27.15		3.91	271,134	64.45		9.29
Arizona	59,898	125,300		.48	1,236,513	20.64		9.87	3,670,653	61.28		29.29
Arkansas	44,682	133,000		.34	1,975,803	44.22		14.86	4,357,796	97.53		32.77
California	704,728	1,415,500		.50	10,960,046	15.55		7.75	34,145,516	48.45		24.16
Colorado	64,229	150,900		.43	1,480,456	23.05		9.81	5,231,105	81.44		34.67
Connecticut	97,416	189,800		.51	1,389,663	14.27		7.32	4,728,494	48.54		24.91
Delaware	11,709	38,100		.31	271,172	23.16		7.12	607,634	51.89		15.95
Dist. of Colum.	17,937	59,900		.30	652,969	36.40		10.90	2,826,849	157.60		47.19
Florida	160,444	424,800		.38	3,609,753	22.50		8.50	9,839,326	61.33		23.16
Georgia	86,835	352,900		.25	3,670,777	42.27		10.40	7,833,438	90.21		22.20
Hawaii	22,068	68,100		.32	444,271	20.13		6.52	911,491	41.30		13.38
Idaho	25,089	48,900		.51	507,431	20.23		10.38	1,400,440	55.82		28.64
Illinois	332,353	701,800		.47	5,835,064	17.56		8.31	18,258,395	54.94		26.02
Indiana	121,682	341,600		.36	3,094,248	25.43		9.06	10,084,231	82.87		29.52
Iowa	81,036	178,000		.46	2,238,625	27.62		12.58	7,117,350	87.83		39.99
Kansas	74,218	164,500		.45	1,698,906	22.89		10.33	5,955,168	30.24		36.20
Kentucky	71,834	229,600		.31	2,889,083	40.22		12.58	6,990,603	97.32		30.45
Louisiana	94,331	268,600		.35	3,295,109	34.93		12.27	8,070,763	85.56		30.05
Maine	18,421	70,400		.26	649,130	35.24		9.22	1,665,252	90.40		23.65
Maryland	99,404	275,600		.36	2,000,668	20.12		7.26	5,085,143	51.16		18.45
Massachusetts	170,968	352,500		.49	3,443,943	20.14		9.77	12,802,053	74.88		36.32
Michigan	236,564	583,900		.41	5,165,064	21.83		8.85	16,565,084	70.02		28.37
Minnesota	108,397	240,400		.45	2,709,659	25.00		11.27	8,659,239	79.88		36.02
Mississippi	56,435	170,600		.33	2,781,022	49.28		16.30	5,800,467	102.78		34.00
Missouri	120,211	298,000		.40	3,255,492	27.08		10.92	9,670,898	80.45		32.45
Montana	23,362	51,800		.45	520,705	22.29		10.05	1,647,222	70.51		31.80
Nebraska	46,025	102,900		.45	1,142,175	24.82		11.10	3,493,029	75.89		33.95
Nevada	9,461	35,600		.27	168,411	17.80		4.73	460,270	48.65		12.93
New Hampshire	16,322	46,700		.35	422,463	25.88		9.05	1,474,844	90.36		31.58

DIS- TION OF U. S. OFFICE OF EDUCATION STATE ALLOTMENTS FOR STUDENT FINANCIAL AID -- 50 STATES AND DISTRICT OF COLUMBIA [1]  
Fiscal Year 1968

RATIO OF RESIDENTS OF STATE ENROLLED AS UNDER-GRADUATE IN ANY STATE TO NUMBER OF 18-21 YEAR OLDS IN STATE (1968)				U. S. OFFICE OF EDUCATION STATE ALLOTMENTS - FISCAL 1963					
				COLLEGE WORK-STUDY [4]					
				TOTAL USOE					
State	Student Residents	Number of 18-21 Year Olds	Ratio	State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds	State Allotment	\$ Per Student Resident	\$ Per 18-21 Year Olds
New Jersey	207,584	449,400	.46	\$ 2,853,533	\$13.75	\$ 6.35	\$ 7,323,979	\$35.23	\$16.30
New Mexico	31,843	82,600	.39	848,002	26.63	10.27	2,242,422	70.42	27.15
New York	600,626	1,161,300	.52	8,999,979	14.98	7.75	30,145,385	50.19	25.96
North Carolina	90,529	385,200	.24	4,699,579	51.91	12.20	10,972,395	121.20	28.48
North Dakota	22,815	47,900	.48	610,560	26.76	12.75	1,843,070	80.78	38.48
Ohio	271,004	713,100	.38	5,966,983	22.02	8.37	19,078,249	70.40	26.75
Oklahoma	79,095	171,500	.46	2,089,928	26.42	12.19	6,373,583	80.58	37.16
Oregon	66,459	138,300	.48	1,339,727	20.16	9.69	4,656,026	70.06	33.67
Pennsylvania	294,698	731,300	.40	6,887,674	23.37	9.42	20,103,367	68.22	27.49
Rhode Island	24,704	63,800	.39	583,934	23.64	9.15	2,012,182	81.45	31.54
South Carolina	41,993	210,900	.20	2,549,370	60.71	12.09	5,096,698	121.37	24.17
South Dakota	22,765	48,100	.47	666,383	29.27	13.85	1,868,417	82.07	38.84
Tennessee	86,045	277,800	.31	3,468,324	40.31	12.49	8,650,976	100.54	31.14
Texas	302,136	814,800	.37	7,988,814	26.44	9.80	19,541,774	64.68	23.98
Utah	41,103	77,800	.53	943,337	22.95	12.13	2,821,320	68.64	36.26
Vermont	9,384	27,700	.34	329,367	35.10	11.89	1,157,722	123.37	41.80
Virginia	97,698	371,100	.26	3,113,643	31.87	8.39	7,272,733	74.44	19.60
Washington	107,227	231,100	.46	2,071,817	19.32	8.96	7,297,403	68.06	31.58
West Virginia	39,615	121,400	.33	1,690,626	42.68	13.93	4,071,545	102.78	33.54
Wisconsin	122,230	275,200	.44	2,763,300	22.61	10.04	9,411,157	77.00	34.20
Wyoming	11,799	22,800	.52	238,079	20.18	10.44	772,323	65.46	33.87
50 States & DC	5,632,266	13,809,000	.41	\$131,614,000	\$23.37	\$ 9.53	\$379,383,539	\$67.36	\$27.47

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[1] Source: American Education, U. S. Office of Education, April 1968, Vol. 4, No. 4, Pp. 34-35: Figures do not include those funds allotted on an individual project basis.

[2] Higher Education Act, Title IV-A. Amounts represent initial-year awards only.

[3] National Defense Education Act, Title II.

[4] Higher Education Act, Title IV-C.



As might be expected, the proportionate spread in relation to 18 - 21 year old population was even greater than the per student resident spread. Utah received \$7.83 per 18 - 21 year old while Alaska received \$.74. In other words the District of Columbia received about 5.5 times as much per student resident as New Jersey, but Utah received almost 10.5 times as much per 18 - 21 year old as Alaska. In contrast, the variations were not as great in the Work-Study program. On a per student resident basis South Carolina received \$60.71 while New Jersey received \$13.75. Using the 18 - 21 year old population Mississippi received \$16.30 per 18 - 21 year old while Alaska received \$3.91. This may be the effect again of the more comprehensive formula utilized in Work-Study fund distribution. Finally, in overall aid (all four programs) on a per student resident basis the District of Columbia received \$157.60 or 4.5 times as much as New Jersey with its \$35.28 per student resident. Distributed by 18 - 21 year olds, the District of Columbia received \$47.19 or approximately three times as much as Alaska with \$9.29.

Table XVIII shows the high, the low, and the average for each program for 1968 and 1969 (using 1968 student resident and 18 - 21 year old figures).

The question then arises of the relation of the distribution of funds to poverty levels in the states. Are the states with the highest poverty levels receiving the most funds? If one uses as an index the ten states with fewest and the ten with the most families receiving \$5,000 or less of annual income the results in the various programs and the totals from all four programs are most interesting.

TABLE XIII

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RANKING OF THE 50 STATES AND DISTRICT OF COLUMBIA ON U. S. OFFICE OF EDUCATION  
STATE ALLOTMENTS PER STUDENT RESIDENT AND PER 18-21 YEAR OLDS -- STUDENT  
FINANCIAL AID PROGRAMS, FISCAL 1968.

## EDUCATIONAL OPPORTUNITY GRANTS

RANK	STATE	\$ PER STUDENT RESIDENT	RANK	STATE	\$ PER 18-21 YEAR OLDS
1.	District of Columbia	\$23.85	1.	Utah	\$7.88
2.	Vermont	17.11	2.	District of Columbia	7.14
3.	Utah	14.82	3.	Vermont	5.80
4.	North Carolina	13.25	4.	Iowa	5.52
5.	New Hampshire	13.25	5.	Massachusetts	5.29
6.	Iowa	12.12	6.	Kansas	5.22
7.	West Virginia	12.12	7.	North Dakota	5.20
8.	Tennessee	12.03	8.	South Dakota	5.06
9.	Rhode Island	11.52	9.	Oklahoma	5.04
10.	Kansas	11.58	10.	Minnesota	4.99
11.	Indiana	11.55	11.	Colorado	4.90
12.	Colorado	11.52	12.	Oregon	4.83
13.	South Carolina	11.42	13.	Wyoming	4.74
14.	Minnesota	11.07	14.	Nebraska	4.73
15.	Maine	11.05	15.	Wisconsin	4.61
16.	Kentucky	10.96	16.	Washington	4.56
17.	Oklahoma	10.92	17.	Arizona	4.55
18.	North Dakota	10.91	18.	New Hampshire	4.52
19.	Massachusetts	10.91	19.	Rhode Island	4.50
20.	Missouri	10.96	20.	Montana	4.40
21.	Arkansas	10.75	21.	Missouri	4.34
22.	Mississippi	10.74	22.	Idaho	4.30
23.	South Dakota	10.69	23.	Indiana	4.11
24.	Nebraska	10.58	24.	West Virginia	3.96
25.	Wisconsin	10.38	25.	Michigan	3.93
26.	Oregon	10.05	26.	Tennessee	3.73
27.	Louisiana	10.03	27.	Arkansas	3.61
28.	Georgia	9.84	28.	California	3.60
29.	Washington	9.83	29.	Illinois	3.56
30.	Montana	9.76	30.	Mississippi	3.55
31.	Michigan	9.69	31.	Louisiana	3.52
32.	Arizona	9.52	32.	Pennsylvania	3.48
33.	Texas	9.22	33.	Ohio	3.45
34.	Wyoming	9.16	34.	New York	3.44
35.	Ohio	9.07	35.	Kentucky	3.43
36.	Alabama	8.91	36.	Texas	3.42
37.	Pennsylvania	8.63	37.	Connecticut	3.32
38.	New Mexico	8.50	38.	New Mexico	3.28
39.	Virginia	8.42	39.	North Carolina	3.11
40.	Idaho	8.39	40.	Maine	2.89
41.	Delaware	8.32	41.	Florida	2.83
42.	Hawaii	8.09	42.	Alabama	2.82
43.	Maryland	7.53	43.	Maryland	2.71
44.	Illinois	7.51	44.	Hawaii	2.62
45.	Florida	7.48	45.	Delaware	2.53
46.	California	7.21	46.	Georgia	2.42
47.	New York	6.64	47.	South Carolina	2.27
48.	Connecticut	6.47	48.	Virginia	2.22
49.	Nevada	6.24	49.	New Jersey	1.99
50.	Alaska	5.14	50.	Nevada	1.66
51.	New Jersey	4.31	51.	Alaska	.74

TABLE XIV

RANKING OF THE 50 STATES AND DISTRICT OF COLUMBIA ON U. S. OFFICE OF EDUCATION  
STATE ALLOTMENTS PER STUDENT RESIDENT AND PER 18-21 YEAR OLDS -- STUDENT  
FINANCIAL AID PROGRAMS, FISCAL 1968.

## CONTRIBUTION TO LOAN FUNDS

RANK	STATE	\$ PER STUDENT RESIDENT	RANK	STATE	\$ PER 18-21 YEAR OLDS
1.	District of Columbia	\$94.01	1.	District of Columbia	\$28.15
2.	Vermont	67.43	2.	Vermont	22.84
3.	North Carolina	52.22	3.	Iowa	21.75
4.	New Hampshire	50.94	4.	Massachusetts	20.85
5.	Iowa	47.77	5.	Kansas	20.58
6.	West Virginia	47.77	6.	North Dakota	20.48
7.	Tennessee	47.41	7.	South Dakota	19.93
8.	Rhode Island	45.79	8.	Oklahoma	19.86
9.	Kansas	45.62	9.	Minnesota	19.67
10.	Indiana	45.51	10.	Colorado	19.32
11.	Colorado	45.39	11.	Oregon	19.03
12.	South Carolina	45.00	12.	Wyoming	18.69
13.	Minnesota	43.63	13.	Wisconsin	18.16
14.	Maine	43.46	14.	Nebraska	18.08
15.	Kentucky	43.22	15.	Washington	17.98
16.	Oklahoma	43.06	16.	New Hampshire	17.80
17.	North Dakota	42.99	17.	Rhode Island	17.73
18.	Massachusetts	42.99	18.	Montana	17.35
19.	Missouri	42.40	19.	Missouri	17.10
20.	Arkansas	42.39	20.	Utah	16.31
21.	Mississippi	42.33	21.	Indiana	16.21
22.	South Dakota	42.12	22.	West Virginia	15.59
23.	Wisconsin	40.89	23.	Michigan	15.47
24.	Nebraska	40.42	24.	Arizona	14.84
25.	Oregon	39.61	25.	Tennessee	14.68
26.	Washington	38.74	26.	Arkansas	14.24
27.	Montana	28.46	27.	Illinois	14.01
28.	Michigan	38.19	28.	Mississippi	14.00
29.	Louisiana	37.67	29.	Idaho	13.96
30.	Georgia	36.29	30.	Pennsylvania	13.71
31.	Wyoming	36.12	31.	Ohio	13.58
32.	Ohio	35.74	32.	New York	13.54
33.	Alabama	35.11	33.	Kentucky	13.52
34.	Pennsylvania	34.03	34.	Louisiana	13.29
35.	New Mexico	33.48	35.	Connecticut	13.10
36.	Virginia	31.21	36.	New Mexico	12.91
37.	Arizona	31.04	37.	North Carolina	12.27
38.	Utah	20.87	38.	California	12.10
39.	Illinois	29.59	39.	Maine	11.40
40.	Florida	29.48	40.	Florida	11.14
41.	Idaho	27.21	41.	Alabama	11.12
42.	Texas	26.99	42.	Texas	10.01
43.	New York	26.18	43.	South Carolina	8.96
44.	Connecticut	25.42	44.	Georgia	8.93
45.	Nevada	24.61	45.	Virginia	8.22
46.	California	24.27	46.	New Jersey	7.85
47.	Maryland	21.54	47.	Maryland	7.77
48.	Alaska	20.27	48.	Nevada	6.54
49.	Delaware	19.65	49.	Delaware	6.04
50.	New Jersey	16.99	50.	Hawaii	5.98
51.	Hawaii	12.30	51.	Alaska	2.92



RANKING OF THE 50 STATES AND DISTRICT OF COLUMBIA ON U. S. OFFICE OF EDUCATION  
STATE ALLOTMENTS PER STUDENT RESIDENT AND PER 18-21 YEAR OLDS -- STUDENT  
FINANCIAL AID PROGRAMS, FISCAL 1968.

## INSURED LOAN RESERVES

RANK	STATE	\$ PER STUDENT RESIDENT	RANK	STATE	\$ PER 18-21 YEAR OLDS
1.	Alaska	\$11.88	1.	Alaska	\$1.71
2.	South Carolina	4.24	2.	Wisconsin	1.39
3.	North Carolina	3.82	3.	Ohio	1.36
4.	Vermont	3.73	4.	Vermont	1.26
5.	Ohio	3.57	5.	New York	1.23
6.	District of Columbia	3.33	6.	Connecticut	1.17
7.	Wisconsin	3.12	7.	Louisiana	1.03
8.	Virginia	2.94	8.	District of Columbia	1.00
9.	Louisiana	2.93	9.	Kentucky	.91
10.	Kentucky	2.92	10.	North Carolina	.90
11.	Alabama	2.58	11.	Pennsylvania	.88
12.	New York	2.38	12.	South Carolina	.84
13.	Connecticut	2.28	13.	Alabama	.82
14.	Pennsylvania	2.19	14.	Virginia	.77
15.	Texas	2.02	15.	Texas	.75
16.	Maryland	1.97	16.	Maryland	.71
17.	Florida	1.87	17.	California	.70
18.	New Mexico	1.81	18.	New Mexico	.70
19.	Georgia	1.81	19.	Florida	.70
20.	Colorado	1.49	20.	Colorado	.63
21.	California	1.41	21.	Georgia	.44
22.	Delaware	.85	22.	Massachusetts	.41
23.	Massachusetts	.84	23.	Delaware	.26
24.	Tennessee	.79	24.	Hawaii	.25
25.	Hawaii	.79	25.	Tennessee	.25
26.	New Hampshire	.61	26.	New Hampshire	.21
27.	Maine	.54	27.	Rhode Island	.16
28.	Mississippi	.43	28.	Iowa	.15
29.	Rhode Island	.40	29.	Indiana	.14
30.	Indiana	.38	30.	Maine	.14
31.	Iowa	.32	31.	Mississippi	.14
32.	Michigan	.31	32.	Illinois	.13
33.	Illinois	.28	33.	Oregon	.12
34.	New Jersey	.24	34.	Michigan	.12
35.	Oregon	.24	35.	New Jersey	.11
36.	Missouri	.22	36.	Missouri	.09
37.	West Virginia	.21	37.	Oklahoma	.08
38.	Minnesota	.19	38.	Minnesota	.08
39.	Oklahoma	.18	39.	Kansas	.07
40.	Arkansas	.17	40.	Washington	.07
41.	Washington	.16	41.	West Virginia	.07
42.	Kansas	.15	42.	North Dakota	.06
43.	North Dakota	.12	43.	Arkansas	.06
44.	Nebraska	.07	44.	Arizona	.03
45.	Arizona	.06	45.	Nebraska	.03
46.	Idaho	--	46.	Idaho	--
47.	Montana	--	47.	Montana	--
48.	Nevada	--	48.	Nevada	--
49.	South Dakota	--	49.	South Dakota	--
50.	Utah	--	50.	Utah	--
51.	Wyoming	--	51.	Wyoming	--

RANKING OF THE 50 STATES AND DISTRICT OF COLUMBIA ON U. S. OFFICE OF EDUCATION  
STATE ALLOTMENTS PER STUDENT RESIDENT AND PER 18-21 YEAR OLDS -- STUDENT  
FINANCIAL AID PROGRAMS, FISCAL 1968.

## COLLEGE WORK-STUDY

RANK	STATE	\$ PER STUDENT RESIDENT	RANK	STATE	\$ PER 18-21 YEAR OLDS
1.	South Carolina	\$60.71	1.	Mississippi	\$16.30
2.	North Carolina	51.91	2.	Arkansas	14.86
3.	Mississippi	49.28	3.	West Virginia	13.93
4.	Arkansas	44.22	4.	South Dakota	13.85
5.	West Virginia	42.68	5.	Alabama	12.91
6.	Georgia	42.27	6.	North Dakota	12.75
7.	Alabama	40.76	7.	Iowa	12.58
8.	Tennessee	40.31	8.	Kentucky	12.58
9.	Kentucky	40.22	9.	Tennessee	12.49
10.	District of Columbia	36.40	10.	Louisiana	12.27
11.	Maine	35.24	11.	North Carolina	12.20
12.	Vermont	35.10	12.	Oklahoma	12.19
13.	Louisiana	34.93	13.	Utah	12.13
14.	Virginia	31.87	14.	South Carolina	12.09
15.	South Dakota	29.77	15.	Vermont	11.89
16.	Iowa	27.62	16.	Minnesota	11.27
17.	Alaska	27.15	17.	Nebraska	11.10
18.	Missouri	27.08	18.	Missouri	10.92
19.	North Dakota	26.76	19.	District of Columbia	10.90
20.	New Mexico	26.63	20.	Wyoming	10.44
21.	Texas	26.44	21.	Georgia	10.40
22.	Oklahoma	26.42	22.	Idaho	10.38
23.	New Hampshire	25.88	23.	Kansas	10.38
24.	Indiana	25.43	24.	New Mexico	10.27
25.	Minnesota	25.00	25.	Montana	10.05
26.	Nebraska	24.82	26.	Wisconsin	10.04
27.	Rhode Island	23.64	27.	Arizona	9.87
28.	Pennsylvania	23.37	28.	Colorado	9.81
29.	Delaware	23.16	29.	Texas	9.80
30.	Colorado	23.05	30.	Massachusetts	9.77
31.	Utah	22.95	31.	Oregon	9.69
32.	Kansas	22.89	32.	Pennsylvania	9.42
33.	Wisconsin	22.61	33.	Maine	9.22
34.	Florida	22.50	34.	Rhode Island	9.15
35.	Montana	22.29	35.	Indiana	9.06
36.	Ohio	22.02	36.	New Hampshire	9.05
37.	Michigan	21.83	37.	Washington	8.96
38.	Arizona	20.64	38.	Michigan	8.85
39.	Idaho	20.23	39.	Florida	8.50
40.	Wyoming	20.18	40.	Virginia	8.39
41.	Oregon	20.16	41.	Ohio	8.37
42.	Massachusetts	20.14	42.	Illinois	8.31
43.	Hawaii	20.13	43.	California	7.75
44.	Maryland	20.12	44.	New York	7.75
45.	Washington	19.32	45.	Connecticut	7.32
46.	Nevada	17.80	46.	Maryland	7.26
47.	Illinois	17.56	47.	Delaware	7.12
48.	California	15.55	48.	Hawaii	6.52
49.	New York	14.98	49.	New Jersey	6.35
50.	Connecticut	14.27	50.	Nevada	4.73
51.	New Jersey	13.75	51.	Alaska	3.91

RANKING OF THE 50 STATES AND DISTRICT OF COLUMBIA ON U. S. OFFICE OF EDUCATION  
STATE ALLOTMENTS PER STUDENT RESIDENT AND PER 18-21 YEAR OLDS -- STUDENT  
FINANCIAL AID PROGRAMS, FISCAL 1968.

## TOTAL U.S.O.E. ALLOTMENTS

RANK	STATE	\$ PER STUDENT RESIDENT	RANK	STATE	\$ PER 18-21 YEAR OLDS
1.	District of Columbia	\$157.60	1.	District of Columbia	\$47.19
2.	Vermont	123.37	2.	Vermont	41.80
3.	South Carolina	121.37	3.	Iowa	39.99
4.	North Carolina	121.20	4.	South Dakota	38.84
5.	Mississippi	102.78	5.	North Dakota	38.48
6.	West Virginia	102.78	6.	Oklahoma	37.16
7.	Tennessee	100.54	7.	Massachusetts	36.32
8.	Arkansas	97.53	8.	Utah	36.26
9.	Kentucky	97.32	9.	Kansas	36.20
10.	Maine	90.40	10.	Minnesota	36.02
11.	New Hampshire	90.36	11.	Colorado	34.67
12.	Georgia	90.21	12.	Wisconsin	34.20
13.	Iowa	87.83	13.	Mississippi	34.00
14.	Alabama	87.38	14.	Nebraska	33.95
15.	Louisiana	85.56	15.	Wyoming	33.87
16.	Indiana	82.87	16.	Oregon	33.67
17.	South Dakota	82.07	17.	West Virginia	33.54
18.	Rhode Island	81.45	18.	Arkansas	32.77
19.	Colorado	81.44	19.	Missouri	32.45
20.	North Dakota	80.78	20.	Montana	31.80
21.	Oklahoma	80.58	21.	Washington	31.58
22.	Missouri	80.45	22.	New Hampshire	31.58
23.	Kansas	80.24	23.	Rhode Island	31.54
24.	Minnesota	79.88	24.	Tennessee	31.14
25.	Wisconsin	77.00	25.	Kentucky	30.45
26.	Nebraska	75.89	26.	Louisiana	30.05
27.	Massachusetts	74.88	27.	Indiana	29.52
28.	Virginia	74.44	28.	Arizona	29.29
29.	Montana	70.51	29.	Idaho	28.64
30.	New Mexico	70.42	30.	North Carolina	28.48
31.	Ohio	70.40	31.	Michigan	28.37
32.	Oregon	70.06	32.	Alabama	27.67
33.	Michigan	70.02	33.	Pennsylvania	27.49
34.	Utah	68.64	34.	New Mexico	27.15
35.	Pennsylvania	68.22	35.	Ohio	26.78
36.	Washington	68.06	36.	Illinois	26.02
37.	Wyoming	65.46	37.	New York	25.96
38.	Texas	64.68	38.	Connecticut	24.91
39.	Alaska	64.45	39.	South Carolina	24.17
40.	Florida	61.33	40.	California	24.16
41.	Arizona	61.28	41.	Texas	23.98
42.	Idaho	55.82	42.	Maine	23.65
43.	Illinois	54.94	43.	Florida	23.16
44.	Delaware	51.89	44.	Georgia	22.20
45.	Maryland	51.16	45.	Virginia	19.60
46.	New York	50.19	46.	Maryland	18.45
47.	Nevada	48.65	47.	New Jersey	16.30
48.	Connecticut	48.54	48.	Delaware	15.95
49.	California	48.45	49.	Hawaii	13.38
50.	Hawaii	41.30	50.	Nevada	12.93
51.	New Jersey	35.28	51.	Alaska	9.29

Table XVIII

U. S. Office of Education State Allotments per Student  
Resident and per 18 - 21 year old -- Student Financial  
Aid Programs, Fiscal years 1968 and 1969

Average Allotment, Highest State Allotment,  
and Lowest State Allotment

Program	1968			1969		
	Average	Highest	Lowest	Average	Highest	Lowest
Educational Opportunity Grants						
Per Student Resident	\$ 8.94	\$ 23.85	\$ 4.31	\$ 2.79	\$ 7.45	\$ 1.35
Per 18 - 21 Year Old	3.65	7.83	.74	1.14	2.45	.23
Contribution to Loan Funds						
Per Student Resident	33.56	94.01	12.30	33.54	91.94	14.87
Per 18 - 21 Year Old	13.69	28.15	2.92	13.68	27.53	2.86
Insured Loan Reserves						
Per Student Resident	1.49	11.88	.00	2.17	5.94	1.51
Per 18 - 21 Year Old	.61	1.71	.00	.88	1.10	.70
College Work-Study						
Per Student Resident	23.37	60.71	13.75	25.32	65.77	14.89
Per 18 - 21 Year Old	9.53	16.30	3.91	10.33	17.66	4.24
Total U.S.O.E. Allotments						
Per Student Resident	67.36	157.60	35.28	63.82	142.36	34.52
Per 18 - 21 Year Old	27.47	47.19	9.29	26.03	42.63	8.18

As one might expect, the College Work-Study program with its more comprehensive formula shows the closest correlation. Eight of the ten states with highest poverty levels appear in the top ten on a per student resident distribution and seven of the wealthiest states appear in the lowest ten. Using the 18 - 21 year old distribution pattern the higher poverty states drop to six in the first ten and the wealthiest states drop to six in the last ten. The correlation is nowhere nearly as high in the EOG program where only three of the high poverty level states appear in the first ten on a per student resident basis and only one appears in the first ten on an 18 - 21 year old basis. In the totals for all programs seven of the high poverty level states appear in the first ten on a per student resident basis but only one of them appears in the first ten on the 18 - 21 year old base.

Among the striking factors in such an analysis is the fact that the District of Columbia, one of the ten "states" with the fewest poverty level families, appears within the first ten in funds received in all categories except Work-Study funds per 18 - 21 year old and leads the nation in EOG funds per student resident, loan funds per student resident and per 18 - 21 year olds, and in total funds per student resident and per 18 - 21 year olds. This may help explain the high ratio of residents enrolled as first-time undergraduates in institutions of higher education to number of high school graduates (.81, second in the nation) and give some indication of what more adequate student assistance can accomplish.

The following table (pages 64 and 65) gives the rank orders per program by each category of distribution of funds received by the states with the highest poverty levels and those with the lowest poverty levels.

While there obviously are many factors influencing the amounts received by states per student resident and per 18 - 21 year olds in these tables, it at least would seem that the mode of distribution and the intent or purpose of the distribution need careful review and reconsideration.

If it is the obligation of the states as suggested earlier to help equalize higher educational opportunity within the states, then the federal government should not cut back funds for any state but instead help equalize higher educational opportunity among the states. While there is some evidence that the Work-Study program does move in this direction, it is far from clear that this objective is being achieved in federal programs as a whole at this time.

It would appear that federal program should have two objectives:

(1) Equalization of higher educational opportunity among the states; and, (2) encouragement of the states without student assistance programs to develop such programs through incentives such as revenue-sharing or matching funds. If these objectives are to be gained two things seem necessary: (1) The already suggested review of allocation procedures in light of goals; and, (2) involvement of the states and their planning agencies more directly in the planning and distribution process than is now the case. At present, aside from the guaranteed loan program in some states, all of the major student aid programs currently operate on a direct federal-institutional basis. To suggest

TABLE XIX

COMPARATIVE TABLE: STATES WITH HIGHEST AND LOWEST NUMBER OF HOUSEHOLDS WITH ANNUAL INCOMES BELOW \$5,000 TO U.S. OFFICE OF EDUCATION STATE ALLOTMENTS FOR STUDENT FINANCIAL AID, FISCAL YEAR 1968

STATES WITH HIGHEST NO. OF HOUSEHOLDS WITH ANNUAL INCOMES BELOW \$5,000	EDUCATIONAL OPPORTUNITY GRANTS 1968 ALLOTMENTS				CONTRIBUTION TO LOAN FUNDS 1968 ALLOTMENTS				INSURED LOAN RESERVES 1968 ALLOTMENTS			
	\$ Per Student Resident	Rank	\$ Per 18-21 Yr Olds	Rank	\$ Per Student Resident	Rank	\$ Per 18-21 Yr Olds	Rank	\$ Per Student Resident	Rank	\$ Per 18-21 Yr Olds	Rank
1. Mississippi	\$10.74	22	\$3.55	30	\$42.33	21	\$14.00	28	\$ .43	28	\$ .14	31
2. Arkansas	10.75	21	3.61	27	42.39	20	14.24	26	.17	40	.06	43
3. Alabama	8.91	36	2.82	42	35.11	33	11.12	41	2.58	11	.82	13
4. Tennessee	12.03	8	3.73	26	47.41	7	14.68	25	.79	24	.25	25
5. Oklahoma	10.92	17	5.04	9	43.06	16	19.86	8	.18	39	.08	37
6. South Carolina	11.42	13	2.27	47	45.00	12	8.96	43	4.24	2	.84	12
7. West Virginia	12.12	7	3.96	24	47.77	6	15.59	22	.21	37	.07	41
8. Kentucky	10.96	16	3.43	35	43.22	15	13.52	33	2.92	10	.91	9
9. Florida	7.48	45	2.83	41	29.48	40	11.14	40	1.87	17	.70	19
10. North Carolina	13.25	4	3.11	39	52.22	3	12.27	37	3.82	3	.90	10
STATES WITH LOWEST NO. OF HOUSEHOLDS WITH ANNUAL INCOMES BELOW \$5,000												
1. Connecticut	\$ 6.47	48	\$3.32	37	\$25.42	44	\$13.10	35	\$2.28	13	\$1.17	6
2. Massachusetts	10.91	19	5.29	5	42.99	18	20.85	4	.84	23	.41	22
3. New Jersey	4.31	51	1.99	49	16.99	50	7.85	46	.24	34	.11	35
4. Hawaii	8.09	42	2.62	44	12.30	51	3.98	50	.79	25	.25	24
5. Michigan	9.69	31	3.93	25	38.19	28	15.47	23	.31	32	.12	34
6. Maryland	7.53	43	2.71	43	21.54	47	7.77	47	1.97	16	.71	16
7. Illinois	7.51	44	3.56	29	29.59	39	14.01	27	.28	33	.13	32
8. New York	6.64	47	3.44	34	26.18	43	13.54	32	2.38	12	1.23	5
9. Ohio	9.07	35	3.45	33	35.74	32	13.58	31	3.57	5	1.36	3
10. Dist. of Colum.	23.85	1	7.14	2	94.01	1	28.15	1	3.33	6	1.00	8



TABLE XIX

COMPARATIVE TABLE: STATES WITH HIGHEST AND LOWEST NUMBER OF HOUSEHOLDS WITH ANNUAL INCOMES BELOW \$5,000 TO U.S. OFFICE OF EDUCATION STATE ALLOTMENTS FOR STUDENT FINANCIAL AID, FISCAL YEAR 1968

STATES WITH HIGHEST NO. OF HOUSEHOLDS WITH ANNUAL INCOMES BELOW \$5,000	COLLEGE WORK-STUDY 1968 ALLOTMENTS			TOTAL U.S.O.E. ALLOTMENTS 1968 ALLOTMENTS		
	\$ Per Student Resident	Rank	\$ Per 18-21 Yr Olds	\$ Per Student Resident	Rank	\$ Per 18-21 Yr Olds
1. Mississippi	\$49.28	3	\$16.30	\$102.78	5	\$34.00
2. Arkansas	44.22	4	14.86	97.53	8	32.77
3. Alabama	40.78	7	12.91	87.38	14	27.67
4. Tennessee	40.31	8	12.49	100.54	7	31.14
5. Oklahoma	26.42	22	12.19	80.58	21	37.16
6. South Carolina	60.71	1	12.09	121.37	3	24.17
7. West Virginia	42.68	5	13.93	102.78	6	33.54
8. Kentucky	40.22	9	12.58	97.32	9	30.45
9. Florida	22.50	34	8.50	61.33	40	23.16
10. North Carolina	51.91	2	12.20	121.20	4	28.48
STATES WITH LOWEST NO. OF HOUSEHOLDS WITH ANNUAL INCOMES BELOW \$5,000						
1. Connecticut	\$14.27	50	\$ 7.32	\$ 48.54	48	\$24.91
2. Massachusetts	20.14	42	9.77	74.88	27	36.32
3. New Jersey	13.75	51	6.35	35.28	51	16.30
4. Hawaii	20.13	43	6.52	41.30	50	13.38
5. Michigan	21.83	37	8.85	70.02	33	28.37
6. Maryland	20.12	44	7.26	51.16	45	18.45
7. Illinois	17.56	47	8.31	54.94	43	26.02
8. New York	14.98	49	7.75	50.19	46	25.96
9. Ohio	22.02	36	8.37	70.40	31	26.78
10. Dist. of Colum.	36.40	10	10.90	157.60	1	47.19



involvement of the states and their planning agencies in federal higher education student aid allocations is not to undermine the role or importance of institutions in student aid administration. But it is to recognize that the needs of potential students cannot be met by institutions alone, by the federal government alone, or by institutions and the federal government working in tandem. While institutions can work with students who have enrolled or applied for admission, by the nature of the case it is extraordinarily difficult for the institutions to become involved with or concerned about those needy students who never get beyond high school, who never apply to an institution, but who have college potential and can be planned for on a statewide basis. In addition, the state agencies at least have an opportunity to take a broader look at the total range of educational institutions and opportunities in relation to the needs of students than individual institutions are able to do. Since the states do in fact constitute the major funding source for higher education today, any effective distribution to meet the total needs must involve the triple partnership of institutions, states, and the federal government in common planning and allocation of the funds from all sources for student assistance.

One additional aspect of the problem must be added. All of the major programs in student aid operated through the U. S. Office of Education provide funds primarily for students in higher educational institutions in the more traditional sense. While Veterans Administration programs are not primarily need-based, the funds made available through the G. I. Bill can be used in the full-range of post-secondary educational opportunities. Many of the states through community

colleges and technical institutes have come to recognize more clearly than apparently has the federal government that, at this point in history, occupational education is an integral part of the total post-secondary educational spectrum. Accordingly, student assistance should not be limited to "colleges" as important as the "colleges" are in the total picture. Student assistance needs to be seen in the total post-secondary context and provision must be made in planning and administration of student assistance on the state as well as federal level for comprehensive aid to students in the total range of post-secondary educational programs. Only if this is the case will the needs of potential students in their diverse institutions be met and only if this is the case will equality of educational opportunity commensurate with interest and abilities be achieved.

## Section V - The Central Goal and Recommendations.

### A. Government Responsibility.

With this review of trends, practices, and problems on institutional, state, and national levels in mind, the Task Force wishes to reemphasize that it is a major responsibility of government-- state, local, and federal-- to provide educational opportunity for all its citizens in accordance with their abilities, motivations, and the needs of society. To achieve this goal in post-secondary education two requirements are necessary: First, a diversity of institutions for students to attend providing the range and variety of programs appropriate to individual differences, interests, and abilities, and relevant to the variety of occupational and cultural opportunities and needs of the contemporary world; and, second, the elimination of barriers to access to these institutions -- financial, societal, and geographic. It is with the second of these requirements, and particularly the financial aspects of this second requirement, that this Task Force is primarily concerned.

### B. Student Aid and Institutional Aid.

While the Task Force has focused its attention on student financial aid, it is very much aware of the intimate relation of aid to students and aid to institutions. Without effective planning and implementation for student aid effective planning and implementation for institutions is impossible and vice versa. Financial aid to students without a planned variety of healthy public and private institutions will not meet the need of students and society at state or national levels.

It is important to distinguish between consideration of aid to institutions and aid to students. They are not necessarily the same. However, it is also clear that appropriations to an institution, public or private, which result in corresponding decreases in charges to students is really a form of student aid. And, conversely, an award to students which is absorbed in increased charges is really a form of institutional aid.

This Task Force was not charged with consideration of aid to institutions per se, public or private, by direct or indirect means. Separate Task Forces of the Education Commission of the States may consider the problems of aid to institutions public and private at a later date and this Task Force strongly urges that the Commission inaugurate such a Task Force or Forces as quickly as possible. However, while this report deals primarily with aid to students, the members of the Task Force fully recognize not only that there are implications in any student aid policy for institutional structure, but that equal post-secondary educational opportunity depends upon the availability of a variety of types of post-secondary institutions to meet different needs and upon reinforcement of programs designed to meet the specific needs of disadvantaged and needy students above and beyond the usual services afforded to traditionally "qualified" students. To this extent the Task Force is fully cognizant that effective student aid may in fact depend upon aiding institutions both generally and specifically in reaching the overall goal. It is, however, also the strong belief of this Task Force that meeting the needs of students and society is the highest priority objective and that meeting the needs of institutions is a means to that objective

and not an end in itself. On how student aid is planned, organized, administered, and funded will have a major impact upon the future structure and substance of post-secondary education in the United States.

Accordingly, the Task Force enters the following caveat: While this report is addressed specifically to the problems and needs of student aid, it should be clearly recognized that student aid is not, in itself, a solution to the growing problems of financing post-high school education as a whole. Aid to students must not be confused with aid to institutions. Without facing the problems of institutional finance neither the quality nor the variety of institutions necessary to meet the needs of students and society can be assured.

#### C. The Goals.

As indicated at the outset, the central goal in student financial aid, whatever the more specific goals, the performance objectives, or the strategies may be, is clear and can be fairly easily stated. It is, again to use President Nixon's statement, that "no qualified student who wants to go to college should be barred by lack of money." But this statement implies a series of closely related goals: (1) There should be basic educational opportunities at the post-secondary educational level appropriate to student needs, abilities, and interests in every state or provided by every state through interstate arrangements; (2) there should be institutions that provide appropriate post-secondary educational opportunity for all qualified students; and, (3) each individual's opportunity for significant career choices should be limited only by his capabilities and not by

economic, cultural, social, or ethnic background. Clearly, an essential condition for meeting these goals is adequate funding.

While there is widespread agreement among Americans that these goals are important and achievable, in spite of the President's further statement that this "has long been a great American goal; I propose that we achieve it now," we are still a long way from its full implementation. Progress has been made, but the kind of progress that will in fact translate the goal into a reality will require the fullest combined efforts of concerned citizens, institutions, and agencies. It will require new alliances and clearer delinations of areas and levels of responsibility.

#### D. Federal-State-Institutional Partnership.

Accordingly, the Task Force proposes as its central recommendation the development of an effective federal-state-institutional partnership in achieving the goals. This has been talked about for a long time and expressed conceptually in the idea of the New Federalism. We propose that we move beyond the talking stage, delineate functions, and proceed through such a partnership to achieve the goal.

From the standpoint of public policy, in the opinion of this Task Force, the prime need is for such a real federal-state-institutional partnership. Only through such a complementation of efforts can we assure substantial progress in meeting the needs of students combined with reasonable, efficient, and effective allocation of existing and future aid resources.

E. Need for a Comprehensive Program.

To be an effective partnership it is essential that the partners together develop a comprehensive program of student assistance including opportunity grants, work-study, loans, and self-help from students and parents. Such a comprehensive program should at least be based upon and include the following considerations:

1. Need should be used as the prime criterion in providing aid. Awards in excess of need, given scarce resources, deprive other students of essential assistance. While scholastic achievement, athletic prowess, and special talents, for example, should be recognized and encouraged, to do so in the form of student aid when funds are scarce and as a result needy students are excluded from the basic opportunity to continue education commensurate with their abilities, perpetrates and perpetuates an injustice which strikes at the very roots of the democratic process.

2. Utilization of need as the prime criterion also calls for the development and adoption of a uniform system of needs analysis to insure nationwide equity in determination of need. The critical factor in determining need should be the ability of the students and parents (including their ability to carry loans) to finance post-secondary education. While recognizing the progress in need analysis that has been made by such national organizations as the College Entrance Examination Board and the American College Testing Program, the Task Force recommends that a national study be undertaken to refine means of determining need. Such a study or studies should consider unique societal as well as family conditions, establish a more uniform basis of dealing with emancipated students, and deal with

criteria for need determinations of part-time, graduate and professional students.

3. A system of allocating available funds should be developed in such a way as to assure equity in their distribution regardless of geographic location both within states and nationally. The committee recommends that present procedures for allocation of federal funds be critically reexamined in the light of the President's call for equal educational opportunity to insure that funds are in fact directed to areas of greatest need.

4. In developing a comprehensive aid program self-help (student-parent contributions in cash, work, and loans) should be considered as the first source of financing post-secondary education but with full recognition that grants must be provided to close the remaining gap for students with more extreme needs. The Task Force also recognizes that for some students from extreme economically and culturally depressed areas and homes even self-help must be interpreted in such a way as to make it clear that real and not illusory opportunity is being offered; in other words, motivation has to be aroused as well as help offered. For such students grants are of major immediate importance.

5. This means that special provision must be made to recruit, admit, and retain students from disadvantaged backgrounds. This will require additional support to institutions and to state agencies to compensate for the higher costs of these special services and these additional costs must be included in planning for student aid. Required also are institutional, state, and national programs designed to seek out and encourage the disadvantaged to avail themselves of



increased educational opportunities. It should be recognized that legal opportunity in the sense of non-exclusion is frequently not enough to insure real opportunity. For the very poor, the disadvantaged, the socially deprived, whatever the reasons, legal opportunity needs to be reinforced or translated in terms of facilitation of access, that is, making the opportunity both visible and attractive. This involves helping to overcome poverty, negative social expectations, inadequate elementary and secondary educational preparation, in some cases geographical remoteness, and in still other cases parental and social indifference.

Such students need to be made aware that they can be admitted to post-secondary education and can succeed. Such access involves close interrelations among the four functions of recruiting, admitting, financing, and retaining -- all are required to provide real opportunity. If the student is to have a reasonable possibility of achievement commensurate with his abilities and not simply pass through and out the doors of post-secondary educational institutions, supplemental guidance, remedial work, and opportunity for social adjustment must also be provided. The costs of these must be figured into real costs of student aid and the funds provided as part of the total effort. Further, the appropriating or granting agencies should require plans for such programs from institutions or systems and periodic evaluations of their effectiveness in human resources saved for society.

On both state and federal levels the real cost of educating poor, disadvantaged, and deprived students must be identified and funded. The failure adequately to recognize these costs will further delay the translation of legal opportunities into real opportunities.

One further word needs to be added. The recognition of the need for provision of remedial work, supplemental guidance, and opportunity for social adjustment currently and in the foreseeable future for disadvantaged students in post-secondary institutions, as critically important as it is now, should not, however, be taken as a long-range goal. The primary responsibility and the long-range goal is to equalize and improve elementary and secondary education for all children in the nation so that remedial help is no longer necessary except in cases involving major changes in vocational articulation and cooperation between post-secondary educational institutions and elementary and secondary schools to meet the total national challenge as well as for more effective and equalized support of elementary and secondary schools.

6. A comprehensive federal-state-institutional partnership program also calls for the development of a national system to assess periodically progress in achieving the goal of equal educational opportunity. Far too frequently programs have been developed, funds appropriated and expended with little or no evaluation of their effectiveness or of their relative effectiveness in relation to alternative programs. Both from the standpoint of developing the optimum means of meeting the need as well as assuring the most effective utilization of the funds that are now expended and those which will be needed in the future, more careful evaluation and

fuller accountability for stewardship is essential. The Task Force recommends that a study of effective and continuing means of evaluation of programs be undertaken immediately.

#### F. The Responsibility of the States.

It has been evident throughout this report that the prime responsibility to provide post-secondary educational opportunity to students historically, constitutionally, and in present practice rests with the states. It is the conviction of the members of the Task Force that this is where it should continue to lie.

If the states are to fulfill their functions in the light of this responsibility then a series of recommendations as to how this can effectively be done follows:

1. Each state should develop a comprehensive student assistance program which includes provision for both grants and self-help in the form of loans and work opportunities. This program should be available for students pursuing any public or non-public post-secondary program including vocational schools, technical institutes, community and junior colleges, and graduate and professional institutions, excluding only programs the funding of which would raise state and federal constitutional issues. As already noted, some states have made considerable progress in this direction, but even among these states the progress is uneven. Too frequently the programs have been limited in terms of the types of institutions at which they can be used. Far too many states still have no program. And yet it is not only the impoverished citizens of these states who are negatively affected, to whom educational opportunity is in fact

denied, and who are crippled by this lack of opportunity. From the standpoint of the economic and cultural health of the state in the long run no wiser investment of public funds can be made than in the state's young people. While education is not a panacea that will cure all social ills, it does seem clear that there can be no long-range solution to poverty, to problems of the ghetto, to welfare, or to problems of the environment apart from effective education and educational opportunity.

2. The states should develop a partnership with institutions in administration of the program. States should have as their goal the removal of financial barriers to the educational opportunities for which students are qualified. This includes equalization of opportunity in relation to institutions and in particular to the institutions most qualified to meet the needs of the individual students, including institutions primarily concerned with occupational education. Institutions have the responsibility, with the assistance of state, federal, and institutional funds, of assuring equity in distribution of financial support among their students. Thus there should be a state financial aid structure to complement institutional student aid structures and to assure equity in relation to institutions. The comprehensive program should have sufficient flexibility, however, to enable student financial aid officers to meet unique student situations.

3. The state should develop with institutions and the federal government an effective work-study program. States and institutions should be encouraged to expand part-time work or work-study program opportunities so that, whenever possible, students may choose relevant

work rather than loans as central to the student's self-help portion of the student aid program. Requirements for student self-help should not be so large that they jeopardize either the education or the financial future of the student. While loans have an important place in the total financial picture, particularly at the level of providing the option to attend more costly institutions, they have limited utility for very low-income students, women, and others whose future earnings are uncertain and likely to be variable. In addition, self-help through work on a limited basis, if properly planned, can have important educational as well as monetary value in helping students in career choices and can provide valuable experiences in areas related to future careers.

The Task Force feels that loans are an integral part of a comprehensive student aid program. Further, it believes that creation of a secondary loan market and other steps should be taken to encourage greater private financial involvement in the student loan program. However, the Task Force is concerned about what the long-range effects of too heavy a dependence upon loans may do to students and their parents and to society in general. It is aware of concerns expressed by others and the dangers inherent in saddling either parents or students with debts which will undermine their own financial futures. (26)

Accordingly, the Task Force would warn against any move to make loans the principal basis for financing post-secondary education. At the same time the Task Force is aware that much of the speculation, pro and con, in relation to the effect of loan programs is based on less than clear

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(26) See particularly, George H. Hanford and James E. Nelson, "Federal Student Loan Plans: The Dangers are Real", in College Board Review, Spring 1970, Pages 16 - 21.

information. Accordingly, the Task Force recommends that a national study be undertaken to assess the possible impact upon individuals (students and parents) and society of proposed major expansion of student loan programs.

4. In the meantime, recognizing that loans are an integral part of comprehensive student financial assistance programs, the Task Force recommends that the states should develop in combination with institutions and the federal government effective loan programs including accepting responsibility of providing requisite services and administrative functions in relation to federal loan programs operating through the states. The experience to date with guaranteed loan programs operated through state agencies has been highly encouraging. It is regrettable that some states have not developed the mechanisms to cooperate with the federal government by handling the guaranteed loan programs on the state level.

5. Since the states do have responsibility for removing financial barriers to higher educational opportunity to their citizens, but also have the responsibility for providing the variety of types of educational opportunity to meet the interests and needs of their citizens and their own manpower needs, the states should provide effective statewide planning and coordination not only for student financial aid programs but to help insure the existence of a variety of post-secondary educational opportunity from short-term occupational education to professional and graduate education in the various types of institutions to meet the variety of needs and abilities of students and the manpower needs of society. Effective statewide planning will also require that attention be paid to regional and national planning and cooperation as well.

With the major enrollment increases in the future coming from the lower half of the population economically and in terms of ability (judged by traditional criteria), it becomes progressively more important to recognize that post-secondary education is not confined to liberal-arts four-year institutions, as important as these are. Post-secondary education includes a spectrum of institutions and functions from graduate and professional education, through four-year liberal-arts and technical institutions to community colleges and vocational-occupational post-secondary institutes and schools. We need to provide widespread alternatives to the traditional college in the form of occupational education which will be as attractive to students and parents as the four-year colleges. We also need to provide more options in connection with the time of entry to post-secondary education so that it can occur even after years of intervening experience. No one institution can or should attempt to be all things to all people. It is critically important, if student aid is to provide opportunity commensurate with ability and societal needs, that we plan in terms of open access not necessarily to individual institutions but to systems of post-secondary education both public and private. The need for common planning, for effective partnership, for institutional, state, and federal cooperation, and for statewide and regional coordination of efforts must become a major priority if the national goal of providing equal opportunity is to be achieved.

6. The state should provide effective evaluation of resource use as related to results to measure progress in achieving equality of educational opportunity and to assure optimum use of scarce resources. It is highly questionable whether present resources are



being used as effectively as they might be in reaching the goals of higher educational opportunity. We have already noted inequalities among institutions and the utilization of aid funds as rewards for athletic and academic accomplishment. If the increased funds that will be necessary in the future are to be kept within reasonable limits it becomes particularly important that present practices and procedures in the utilization of funds be carefully scrutinized.

7. States should focus continuing and future efforts on aid commensurate with need rather than the further extension of general non-need based subsidies for all students. This is not to say or to argue that the present method of funding of public higher education should be radically altered nor is it to suggest that general support of higher education by the state should be abandoned. It is essential that states continue to support the general public higher educational structures in terms not only of the economic and social benefits accruing from an educated citizenry but also in terms of the specific advantages higher educational institutions bring to the states and communities in terms of research, community service, and cultural opportunities to the public at large. It is, however, to recognize that the general financing of higher education needs careful study and reevaluation and that, in relation to student aid in particular, if the barriers are in fact to be removed future emphasis needs to be on whatever is required to remove the barriers.

#### G. The Responsibilities of the Federal Government.

While the federal government has been and should remain the junior partner to the states in student aid and support of higher education,



it will, of necessity, have to play an increasingly important role if national objectives are to be met. In fulfilling this increasingly important role there are some rather clear obligations of the federal government that have not always been effectively recognized. These obligations include the following:

1. One of the major functions which the federal government could and should play is to help in equalizing opportunity among the states and, in cooperation with the states, in closing the remaining aid gap. As the evidence so clearly indicates the states' abilities to support student aid programs vary widely. These differences are largely a result of differentials of family income, and differentials in state ability to support a student assistance program. The federal government has an obligation to help equalize the funds available at the state level to assist needy students. Where the lack of a state program results not from inability but from failure to recognize the obligation of the state, the federal government does have an obligation to encourage the state to develop an appropriate program of its own. Accordingly, at least one approach to the federal role, and the one currently most in accord with the public interest, is that of assuring student aid through grants on a national minimum basis among the states and of encouraging the states, through matching funds, to develop their own effective programs. The federal government can reinforce the states in insisting that grants be based on need as the prime criterion. Such a program should be devised not to penalize those states currently making major efforts, since under no circumstances should the current level of federal support to students in any state be reduced. Rather, the program should be devised to

recognize that in future and additional funding, equalization of opportunity regardless of geographic area must play a progressively more important part.

2. The federal government, in addition, should help provide a national framework for self-help through loans and work-study to help meet differential costs of the various educational opportunities for lower- and middle-income families, for example, the National Defense Loans, warehousing of loans, interest subsidies, and guaranteed loans. Such a national framework is essential to provide insurance and credit on a national basis to offset differences among the states in resources and credit standing across the nation. The need for a flexible national loan structure is particularly important for middle-income families with more than one child in college who, in spite of gross incomes, find themselves faced with the kinds of financial obligations they can not meet without an opportunity to borrow. For this reason the committee recommends against setting arbitrary upper-income level figures for eligibility for loans. It believes that the same principles of need assessment should apply to all levels of income in light of the unique situations that face particular families. For the middle-income student, in particular, loans may make the difference between going to the institution of his choice and going to the institution the family can immediately afford.

3. The federal government should allocate funds for student aid equalization to state agencies representative of the total post-secondary educational community (or to existing agencies so augmented for this purpose) in order to assure an equitable distribution of these funds to the students enrolled in the entire spectrum of post-secondary

educational institutions. In the past, the federal funds allocated for student aid have gone directly to institutions. While the Task Force recognizes the critical role the individual institutions must play, it also recognizes that the problems of student aid are larger than the single institution. From this standpoint the need for an institutional-state-federal partnership rather than a federal-institutional partnership becomes particularly acute. Since the major responsibility for long-range planning and for the development of an effective, realistic, multiple institutional post-secondary educational system, public and private, increasingly rests with the states it becomes of prime importance that the distribution of funds take statewide planning, cooperation, and coordination into account. State agencies can be concerned about needy students, including those youth who never get beyond high school, while it is hard for institutions to be concerned about students until they apply for admission. By the nature of the case, the individual institution finds it extraordinarily difficult to do anything about the students who do not get to college. This, again, is not to negate the role or the importance of the individual institution but to recognize that no single institution can be all things to all people. The basic need is for equality and for balance. In meeting this need the state agency can and should perform the critically important statewide function.

#### H. Unfinished Business.

1. While this report has not excluded graduate education, it has intentionally concentrated on the problem of student aid at the post-secondary, undergraduate level. The problems of student assistance in, and responsibility for, graduate and professional

education deserve special consideration in their own right and must not be overlooked in concentrating on the pre-baccalaureate levels. It is at least conceivable that as a national resource graduate education is even more directly a national than a state responsibility. However, in terms of urgency related to changing social conditions and individual needs the problems of student aid on the undergraduate post-secondary level assume an importance that commands major attention in its own right. The Task Force does, however, recognize the uniqueness and urgency of the problems of graduate education as well. Accordingly, the Task Force strongly recommends that the Education Commission of the States institute a Task Force on Financing of Graduate Education as quickly as possible. Among the functions of such a task force should be the consideration of the responsibilities of the federal government, of the states, and of the individual institutions in relation to graduate education. It is suggested that these may be different than the functions on the undergraduate level. It urges such a task force to take a particular look at the problems of financing graduate education both in terms of institutional support and in terms of student assistance.

Pending completion of a study by such a task force, this Task Force believes that the general principles developed in relation to undergraduate student aid are generally applicable to the graduate level.

2. The Task Force recognizes that the general problems of financing higher education, public and private, will not be solved by implementation of the recommendations of this report nor can they be solved through answers to the problems of student aid alone. The

Task Force feels that a cooperative effort of the Education Commission of the States and other national organizations concerned with the future of higher education should be undertaken to explore in some detail the alternative methods of financing and pricing educational outputs. Such a study should include the range of current suggestions in regard to financing higher education and such additional suggestions as may be forthcoming and explore these in terms of appropriate model building and testing of implications. The study should keep in mind the probable changing character of higher education itself.

APPENDIX A

GLOSSARY OF FINANCIAL AID TERMS

Equal educational opportunity -

Opportunity for all American youth to pursue some type of educational program beyond the high school level restricted only by the individual's talents, interests, and motivation.

Higher education -

Education beyond high school level including terminal occupational programs as well as formal degree-granting programs.

Grant or grant-in-aid -

Financial assistance which carries no obligation of repayment. The grant may be based on personal characteristics of the student (e.g. low family income, veteran's status) or associated with some aspect of the student's status in school (e.g. enrollment in a specified course of study, participation in the band or athletics).

Scholarship -

Type of grant, usually related to the student's academic achievement and/or his need for financial aid to meet his educational expenses.

Work-Study -

Program of part-time employment planned and supported by the school so as to enable a student to earn a portion of the funds needed to meet his educational expenses. Work-study differs from other part-time student employment in that the educational institution formally supervises and supports the former while the student may engage in the latter with no involvement on the part of the educational institution.

Loan -

Provision of funds for educational expenses with the requirement of future repayment under specified conditions.

Packaging of aid -

Practice of combining various types of financial assistance (such as grants, work-study, loans) to maximize effectiveness of limited funds while retaining appropriate consideration for needs of individual student.

Student aid -

Financial assistance in form of scholarships, grants, loans, or part-time jobs provided directly to students for the benefit of the students.

Institutional aid -

Financial assistance provided to an institution for its general support.

Glossary of Financial Aid Terms - Continued

Financial need -

Difference between a student's own financial resources (his own and his family's) and the educational costs incurred by the student.

Tuition -

Charges levied by educational institution as a condition for a student's enrollment in a program of studies.

Educational expenses -

Total costs incurred by a student by virtue of his enrollment in a program of studies. Included are tuition, special fees, room and board charges, cost of books and educational supplies as well as transportation and other necessary personal expenses.

## APPENDIX B

### STUDENTS AND FINANCIAL AID FOR A UNIVERSAL ACCESS MODEL OF HIGHER EDUCATION

John K. Folger

#### Who Will the New Students Be?

At present (1968) about 78 per cent of each age group completes high school. About half of the graduates (48 per cent) go on to college immediately and another ten per cent will attend eventually, after varying periods of delay. In 1968 this meant that about 45 per cent  $(.78) \times (.58)$  of the age group will eventually begin college and about half of the entrants will eventually earn a bachelor's degree. Total undergraduate enrollment in 1968 was about 6.1 million; about 45 per cent of the 18 - 21 year old population.

By 1980 the Carnegie Commission projections indicate that about 85 per cent of the age group will complete high school and about two-thirds of them (66 per cent) will enter college eventually. This will mean that about 56 per cent of the age group in 1980 will attend college at sometime and total undergraduate enrollment will be 10 - 10.7 million; about 58-63 per cent of the 18 - 21 year old population.

A preliminary estimate of college entry rates by ability and family income status will give some indication of the characteristics of the "new" students who will have to be accommodated in the system.



TABLE I

## Percentage of the Age Group Who Enter College

<u>Academic Aptitude</u>	<u>1968 Family Income</u>			<u>1980 Family Income</u>		
	<u>High</u>	<u>Low</u>	<u>Total</u>	<u>High</u>	<u>Low</u>	<u>Total</u>
Top Half	.82	.56	.69	.87	.67	.77
Bottom Half	.32	.14	.23	.44	.26	.35
Total	.57	.35	.46	.67	.46	.56

While these estimates are relatively crude estimates, which have a substantial error of estimate (.03 to .05), they show that most of the increases in enrollment will occur among students who are in the lower half in aptitude (60 per cent of the "new" students will come from this group) or are in the lower half in family income (60 per cent of increase are also in this group). Only about 12 - 13 per cent of the "new" students will come from the group that is in the top half in both aptitude and family income. If this enrollment model is to be realized by 1980 it is quite clear that the "open admissions" institutions and the low-cost institutions will accommodate most of the new students. If a change in tuition policy toward higher tuition is recommended, the low family income students will need substantial additional scholarship, loan, and work opportunities.

Projections of these trends beyond 1980 indicate that somewhere between 60 and 70 per cent of the age group will attend college for at least some period of time. College attendance will be as common as high school attendance was in 1950. Furthermore, the numerical growth of enrollment is likely to stop and there will be some actual enrollment declines between 1980 and 1990. The 18 - 21 year old group is projected to decrease from 17.1 to 14.6 million between 1980 and 1990, according to low census projections, which assume a slightly higher

level of fertility than has been experienced in the last two years. This means that whatever changes in the system are made should be made by 1980, since it is much harder to change things when enrollment is declining.

In addition, the per cent of college students who are outside the normal undergraduate age range of 18 - 21 will increase rapidly in the 1970's and 1980's. Census projections indicate that the per cent of students over 21 will increase by ten percentage points between 1966 and 1985. This is likely to be an underestimate since the Census surveys miss some part-time students who work full-time.

Table I A  
Percent of Students  
Over 21 - 1966 to 1985

<u>Year</u>	<u>Percent</u>
1966	36
1975	40
1985	46

A more precise estimate can be made for the need for scholarship assistance by adopting a table from Humphrey Doerman's Crosscurrents in College Admissions. Doerman has estimated the current distribution of high school graduates by family income and academic aptitude, using the data from Project Talent which was collected in the early 1960's. Although crude and subject to some error, this gives a useful estimate of current college going percentages and can be translated into estimates of scholarship funds needed, based on various assumptions. Table 2 shows that percent of high school graduates who enter college by aptitude and family income.

Table 2

Estimated Percent of High School Graduates Entering College  
By Family Income and Academic Aptitude, 1969-70

<u>Family Income</u>		<u>Academic Aptitude</u>			<u>Total</u>
		<u>Low</u>	<u>Medium</u>	<u>High</u>	
Below \$4,600	Total	17%	23%	54%	23%
	Men	22	30	64	29
	Women	12	16	43	17
\$4,600-7,499	Total	20	34	76	35
	Men	26	45	86	45
	Women	15	23	67	26
\$7,500-10,699	Total	25	41	82	45
	Men	33	54	93	55
	Women	18	29	72	35
\$10,700 +	Total	56	79	95	79
	Men	60	84	98	83
	Women	52	73	92	75
Total	Total	31	52	87	54
	Men	37	61	93	61
	Women	27	43	81	47

Source: Adapted from Humphrey Doreman, Crosscurrents in College Admission. Relationships between male and female enrollment rates at each income and aptitude level estimated from Folger, Astin, and Bayer, Human Resources and Higher Education. College going percent (54) reflects both high school graduates who go directly to college out of high school, plus some students who defer entry to college for a year or more. College Board equivalent scores are: Low Aptitude - 200 - 299  
Medium Aptitude - 300 - 499  
High Aptitude - 450 +

These cutting points divide the high school graduates approximately into thirds. Those in the high groups could be expected to succeed in a regular college program.

The college going percentages are much higher among youth from families with annual incomes above \$10,000 at all academic aptitude levels.

There are a fairly large percentage of students attending college from the lowest aptitude level -- they will probably have a considerable amount of difficulty with conventional college programs, which underlines the need for alternate post-secondary programs.

If our goal is to make college as accessible for the student from a family with income below \$4,000 a year as for the youth from a family with income of \$15,000 a year, it is clear that we have a long way to go. Enrollment rates in the highest income group in the low and middle aptitude groups are more than three times the enrollment rates of the lowest income group, and in the high aptitude group, high income enrollment rates are almost double the enrollment rates in the lowest income group.

If enrollment rates in each aptitude group were raised to the level of the highest income group, the number of college entrants in 1969 would have been increased from about 1.5 million a year to about 2.2 million a year. This would represent an increase from about 54 per cent of high school graduates entering college to about 76 per cent.

Lower enrollment rates of low-income youth are not all caused by lack of funds. Motivation is also lacking in many cases. If youth come from a family background where no one has gone to college, go to a high school where very few youth go on to college, and run around with friends who do not plan to go to college, they are not likely to develop college plans. This is particularly true of girls from low-income families whose college enrollment rates are about half the rates for boys in the same income and aptitude groups. Girls' college attendance rates are almost as high as the boys' rates in the high-income group. If a low-income family is going to encourage any of their children to go to college preference is given to the boys, who need the education to get a good job.

It would be unrealistic to think that additional scholarship funds would immediately raise enrollment rates to the level of the highest income group. But if financial aid for students were more adequate, enrollment rates would be able to rise to the level of aspiration of students.

These figures also raise a more difficult question -- who should go to college? It seems clear that we should provide financial assistance for all the high-aptitude students and should encourage as many of them as possible to enter college.

The low-aptitude students will have difficulty in succeeding in a regular college program and probably ought to consider some alternative type of post-secondary education. In spite of this, over half of the low-aptitude (bottom third of high school class) students who came from families who had incomes over \$10,600 a year enrolled in college and nearly a third of the total low-aptitude group entered college. Studies of the college progress of the low-aptitude students in the early 1960's indicated that nearly a third of them actually completed a college degree within five years after entry. (Folger, Astin, and Bayer, Human Resources and Higher Education, p. 174). These statistics show that some low-aptitude students will succeed in some colleges. If the low-aptitude students with money are able to go to college, should the low-aptitude student from a poor background be denied an equal chance?

If we had better measures of potential for success we could have more confidence in screening out people from college and suggesting that they get some other form of education or go to work. While our measures are pretty good in predicting how well people will do in an academic program, we have not been able to demonstrate much connection between academic performance and later success on the job. Given the inadequacies of our selection techniques and our commitment to equal opportunity, the best course seems to be to (1) provide widespread alternatives to college in the form of occupational training which will be as attractive and as inexpensive as college, (2) provide more options about the time of entry to college so that it can occur after several years work experience, and so that working adults will find it relatively easy to go back to college for additional education during their working life. As the figures in Table 1A suggest, this trend toward more adults coming to college is likely to continue for the foreseeable future.

#### How Much Financial Aid is Needed?

Before we can answer this question, we must differentiate between grants-in-aid, which are scholarships based on need, and self-help assistance, which includes work and loans. At the present time work and loans constitute a much larger share of the total available aid than scholarships do, and this trend seems likely to continue into the future. The plans of the current Administration involve a combination of small scholarship, some work assistance, and a large supply of loan money made available to everyone.

The amount of scholarship aid that is necessary to equalize opportunity is difficult to define precisely, but it probably should be a larger fraction of the total than anticipated by the proposed federal programs, which would require low income youth to do a lot of work and/or accumulate a sizable debt. The amount of aid required will also depend on the costs of college attendance, which will vary depending on whether the institution is public or private and whether the students are commuting or residential. Approximate average out-of-pocket expense requirements in these four situations are shown below. Actual expenditures vary widely about these averages in different institutions and for different students. In addition to these direct costs, all

		Public	Private
<u>Commuting</u>	Living Costs	600	600
	Tuition	300	1000
	Total	900	1600
<u>Residential</u>	Living Costs	1200	1200
	Tuition	500	1400
	Total	1700	2600

students, regardless of situation, have foregone income of about \$4000 a year, which they would have earned if they had gone to work instead of to school. Summer earnings and other part-time work should be subtracted from this total foregone earnings. The other indirect subsidy is the public contribution to the education of students in the public institutions. This probably averages about \$1000 a year for undergraduates and is two or more times as large for graduate and professional students. The size of scholarship program needed will depend on where the students enroll and whether or not they are residential or commuting.

For students who are residential in a public institution, the following table indicates one way of equalizing ability to pay:

Table 4

<u>Family Income</u>	<u>Direct Aid</u>	<u>Loans and Work Self Help</u>	<u>Parents</u>	<u>Total Required Expenses</u>
Under \$4,600	\$1,000	\$ 700	\$ ---	\$1,700
\$4,600 - \$7,499	700	800	200	1,700
\$7,500 - \$10,599	200	800	700	1,700
\$10,600 - up	---	600	1,100	1,700

For students who are commuters in a public institution:

<u>Family Income</u>	<u>Direct Aid</u>	<u>Loans and Work Self Help</u>	<u>Parents</u>	<u>Total Required Expenses</u>
Under \$4,600	\$ 200	\$ 700	\$ ---	\$ 900
\$4,600 - \$7,499	---	700	200	900
\$7,500 - \$10,599	---	200	700	900
\$10,600 - up	---	---	900	900

For students in a private residential institution:

<u>Family Income</u>	<u>Direct Aid</u>	<u>Loans and Work Self Help</u>	<u>Parents</u>	<u>Total Required Expenses</u>
Under \$4,600	\$1,900	\$ 700	\$ ---	\$2,600
\$4,600 - \$7,499	1,400	1,000	200	2,600
\$7,500 - \$10,599	800	1,100	700	2,600
\$10,600 - up	---	1,200	1,400	2,600

In the tables above, the parents' contribution to the support is based on CSS tables, revised. Work self-help is assumed to average \$300 in summer earnings and \$500 during the school year, which would require the organization of a much larger work-study program than currently exists. Loans could be the alternative for students who could not, or did not want to work. Most students could not earn more than \$800 a year and still carry a full-time student load, so any self-help estimates above \$800 are assumed to be loans.



The public cost of enrolling and educating 100,000 students in each of the three models above, plus the private commuting student model is estimated below, assuming approximately 20,000 students in each of the three lower income groups, and 40,000 in the highest income group. It is assumed that administrative costs of loans and work-study organization are five per cent of the total self-help program; but that other costs are covered in the private sector.

Public cost of 100,000 students in: (figures in millions)

1. Public residential college

Appropriation for cost of education	100.0
Direct Aid	38.0
Work and Loan Administration	3.5
Total	<u>141.5</u>

2. Commuting college

Appropriation for cost of education	100.0
Direct Aid	4.0
Work and Loan Administration	2.0
Total	<u>106.0</u>

3. Private residential college

Direct Aid	84.0
Work and Loan Administration	5.0
Total	<u>89.0</u>

4. Private commuting students

Direct Aid	34.0
Work and Loan Administration	3.5
Total	<u>37.5</u>

This shows that the largest public expenditure is required to equalize appropriations in public residential colleges. While these models are approximations that are subject to a substantial margin of error, this conclusion about the costliest program would not be changed unless there were major changes in the assumption about the ratio of self-help to

direct aid, or the ratio of costs for commuting students to costs for residential students.

For the approximately 6.1 million students enrolled in 1968, this pattern of direct student aid would have cost about \$2.5 billion, if we could assume that the college students were drawn from the different income classes proportional to the number of families in each income group in the population. Since the low-income youth are much under-represented among college students, the actual cost of a direct aid program of this size would have been close to \$1.0 to \$1.2 billion for the students who were actually enrolled.

In this model the student and his parents would pay the majority of direct college costs, exclusive of the state appropriation for the educational program in public institutions, which if it is considered a financial subsidy for the students would make the state's contribution larger in the public institutions. However, if the student's income loss (foregone income) is figured into the calculations, the student would pay about three fourths of the total cost of his college education.

College enrollment of undergraduates is expected to expand from about 6.1 million in 1968 to 10 - 10.7 million in 1980. We can estimate that the approximately four million additional students will be distributed as follows:

Community college (commuters)	2.0 million
Other public college commuters	.5 million
Residential public colleges	1.0 million
Private college, residential and commuting	.5 million

The financial aid requirements (at today's costs) would be affected by the distribution of students by institutional type. If most low-income students are commuters, then the financial aid requirements (other than self-help and the public appropriation for instruction) would be less relative. The overall costs to the taxpayers would be less if a program of financial aid to students would actually allow the private colleges to expand by half a million students in the next decade. The income distribution of the new students will be substantially lower than the income distribution of the currently enrolled students (about 42 per cent of currently enrolled students would qualify for aid according to our estimates) while 70 - 75 per cent of the new students would qualify for some aid. Total aid for the new students would be about \$1.6 billion if they were distributed by institution in the way current students are enrolled. But if we use the assumptions above about enrollment of 87.5 per cent in community colleges and other public institutions, with two thirds of the new students being commuters, the direct aid requirements are reduced to the \$.8 billion to \$1.0 billion range.

The \$.8 - \$1.0 billion when added to the current requirement of \$1.0 to \$1.2 billion would make a total requirement of about \$2.0 to \$2.2 billion in direct aid. In addition, there would have to be a massive expansion of self-help provisions, plus a tremendous increase in appropriations since nearly all of the future growth is expected to occur in public institutions.

Since the public support of instruction is a subsidy to students regardless of family income, some economists and public officials propose an increase in tuition in public institutions to be counter-balanced for low-income students by an increase in scholarship aid. For the new students there would not be much shift of costs from the public to the private sectors, since nearly three fourths of the new students that we are trying to attract would qualify for assistance, and as tuition rises their need for subsidy would rise proportionately. For students currently enrolled, the net shift of the costs of college from the public to the private sector would be larger, since only about 40 per cent of them would qualify for direct aid.

#### Summary and Recommendations

To remove the barriers to college enrollment that exist because of inadequate finances, there should be a program of financial aid of sufficient magnitude so that with a combination of self-help and direct grants every student should have an opportunity to attend college. This goal has been stated by most recent material study groups, the president of the university, and is at least in part embodied in current federal assistance proposals.

To define the amount of funds needed, the amount that the family could contribute was determined from current college scholarship service standards. The amount of self-help was determined by the approximate average amount of part-time work, plus summer earnings that are feasible for the full-time student. For calculation purposes this was assumed to be about \$800 a year. For the student who could not work, this could be made up with loans. The remainder would be covered by direct grants based solely on need.

Since the direct costs of college attendance vary by type of college and by whether the student is a commuter or resident, the future growth of the public and private sector and the proportion of commuting students and the way the students from a different family income background distribute themselves by institutional type will have a great deal to do with total aid requirements as defined above.

We have estimated that these requirements are currently between \$1.0 and \$1.2 billion a year and that the growth of enrollment, which will be concentrated in the low-cost commuter institutions in the next decade, will increase direct student aid requirements by about \$.8 to \$1.0 billion a year, to a total of about \$2.0 billion in 1980.

## APPENDIX C

## REPORT OF STUDENT AID PROGRAMS

John K. Folger

In 1967, a total of \$36,843,769 for student financial aid was awarded by Tennessee's institutions. Of this total \$20,431,888 in aid was awarded by Tennessee's public institutions while \$16,411,881 in aid was awarded by private institutions. Over 40,000 students were assisted with part or all of their college expenses; 41.3 per cent of the undergraduate students and 61.1 per cent of the graduate students in public institutions received aid while 46.2 per cent of the undergraduate students and 50.5 per cent of the graduate students in private institutions received aid.

The above information was obtained from a survey of student financial aid programs in Tennessee Colleges which was conducted by Mr. Roy Nicks of Memphis State University under the sponsorship of the Tennessee Higher Education Commission. Fifty institutions responded to the survey form, which included questions about the amount and sources of student aid and about the number of students assisted. From this survey, the following comparisons of student aid between public and private colleges and estimates of need for additional student aid were made.

A broad definition of student aid was employed to include Loan Programs, Scholarship Programs, and Work Programs. In public institutions 37.7 per cent of student financial aid came from Work Programs, 29.9 per cent from Scholarship Programs, and 26.6 per cent from Loan Programs while in private institutions 35.9 per cent of student financial aid

came from Scholarship Programs; 31.2 per cent from Work Programs, and 28.1 per cent from Loan Programs. Scholarship funds come from federal sources including the Educational Opportunity Grant and Veteran's Programs (G. I. Bill), private gifts and donations, and institutional funds used for academic scholarships. Some academic scholarships are also the result of private gifts. In 1967 from funds provided directly by the college private institutions provided their undergraduate students with over seven times as much academic scholarship assistance (\$1,944,918) as public institutions (\$265,688). Public institutions provided their undergraduates with over four times as much aid for athletic scholarships (\$1,238,487) as for academic scholarships; conversely, private institutions provided nearly three times as much academic scholarship aid as athletic scholarship aid (\$656,065).

Public institutions awarded \$335 in financial aid per full-time student enrolled and \$781 per student receiving aid; in contrast, private colleges awarded \$514 in financial aid per full-time student enrolled and \$1,112 per student receiving aid. Private schools offered considerably more aid per student than did public institutions. The cost of attending private institutions, however, is much higher than in public institutions; the average yearly tuition for Tennessee private institutions in 1967 was \$1,012 while the average yearly basic fees for public institutions were \$270. When this difference in cost is considered, the average level of student support in private institutions covered a smaller portion of total costs than in public institutions.

Table I categorizes the distribution of financial aid by source for public and private institutions. Although more financial support was obtained from federally assisted programs than from other funds managed by the institution or from funds managed outside of the institution, increased amounts of support in Federal programs such as training grants and fellowships, the Health Professions Educational Assistance Program, The National Defense Student Loan Program, and Nursing Student Loan Programs are needed. (See next section)

The largest amounts of funds available in federally assisted programs were in the form of loans (National Defense Student Loan Program and Guaranteed Loan Program) and scholarships (G. I. Bill and Veteran's Program and Educational Opportunity Grants) whereas the largest amounts of funds available from institutionally managed funds were in the form of work programs.

Table II shows per student participation in federally assisted programs on national and state levels. The actual state average per student participation is above the national average except in the Work-Study Program. Because Tennesseans have lower average incomes, a higher level of support is needed within the state. If the difference in national and state per household income averages is taken into consideration, Tennesseans are above the level of support their income level would entitle them to only in the two loans programs.



TYPE OF AIDFEDERALLY ASSISTED PROGRAMS

	<u>Public Institutions</u>	<u>Private Institutions</u>	<u>Total</u>
National Defense Student Loan Program	\$ 2,194,153	\$ 3,009,903	\$ 5,204,056
College Work Study	1,826,123	1,029,502	2,855,625
Educational Opportunity Grant	934,000	1,190,150	2,124,150
G. I. Bill and Veteran's Program	3,068,100	1,179,900	4,248,000
Guaranteed Loans (Tennessee Educational Loan Corporation)	3,117,311	1,304,691	4,422,002
<b>Total</b>	<b>\$11,139,687</b>	<b>\$ 7,714,146</b>	<b>\$18,853,833</b>

FUNDS MANAGED BY THE INSTITUTION (Exclusive of the Federal Programs above)

Student Jobs	\$ 1,922,516	\$ 1,740,048	\$ 3,662,564
Performance Scholarships			
Athletic	1,238,487	656,065	1,894,552
Music	71,336	48,102	119,438
Other	31,628	86,614	118,242
Academic Scholarships*	340,843	2,366,606	2,707,449
Other Institutional Aid**	3,918,730	2,215,934	6,134,664
Institutional Loans	113,617	289,344	402,961
<b>Total</b>	<b>\$ 7,637,157</b>	<b>\$ 7,402,713</b>	<b>\$15,039,870</b>

FUNDS MANAGED FROM OUTSIDE THE INSTITUTION

Student Jobs on Campus	\$ 37,438	\$ 141,900	\$ 179,338
Gift Aid	1,617,606	1,153,122	2,770,728
<b>Total</b>	<b>\$ 1,655,044</b>	<b>\$ 1,295,022</b>	<b>\$ 2,950,066</b>
<b>Grand Total</b>	<b>\$20,431,888</b>	<b>\$16,411,881</b>	<b>\$36,843,769</b>

\*Includes State Board Scholarships where applicable.

\*\*Includes Graduate Assistantships -- \$814,704 for private institutions and \$3,655,865 for public institutions.

TABLE II

A COMPARISON OF NATIONWIDE AND TENNESSEE PARTICIPATION IN SELECTED FEDERAL STUDENT FINANCIAL AID PROGRAMS, PER STUDENT, 1967

<u>PROGRAM</u>	<u>National Average Per Student</u>	<u>State Average Per Student</u>	<u>State Support Needed*</u>
National Defense Student Loan	\$ 553	\$ 668	\$ 656
College Work-Study	700	576	831
Educational Opportunity Grant	497	520	590
Tennessee Educational Loan Corporation	923	1,102	1,096

\*Level of support needed takes into account differences in national (\$9,012) and state (\$7,325) average per household incomes (as reported in Sales Management, June 10, 1966).

How much student financial assistance is needed?

The College Scholarship Service analyzed information about family size, income, and the average ability to support a son or daughter in college with a given amount of income, to estimate the needs for financial aid among students enrolled in Tennessee's public institutions. This analysis indicated that if all financial aid available in 1967 had been used by needy students, estimates of student need for financial assistance indicate that an additional \$15 million should have been available to help defray their college expenses. However, over \$3 million in student aid, classified as student jobs and academic, athletic, and music scholarships, may or may not have been given to students who needed financial assistance. Many students who did not receive sufficient student financial aid from federal or institutional funds were obtaining the money they needed to go to college by working, or by unusual parental sacrifice or from other gifts and scholarships unknown to the institution. Frequently, students are forced to postpone graduation dates, or in some cases to discontinue their education permanently because they have to work their way through college. A limited amount of work can be an important aid in paying college expenses, but too much work is likely to slow down college progress.

The institutions participating in the study reported that in 1967-68, they knew 283 undergraduate students and 10 graduate students who discontinued their studies for financial reasons. There are undoubtedly others who have to quit for other reasons partly related to financial difficulties.

Information obtained from another survey sponsored by the Higher Education Commission will be used to develop estimates of the number of low-income, high-ability high school graduates who do not go on to college. Data will be available soon to estimate the number of talented Tennesseans who never get to college at all because they do not have the money.

In spite of the large amount of student aid available in Tennessee colleges, the need for additional student aid is evident. Not only do some of the young people who are attending college need additional financial assistance now, but there are students who could come to college if they had some way of financing their college education through work opportunities, scholarships, or other forms of aid. A more detailed report on student aid will be available within the near future. Individuals interested in obtaining a copy of this report should write to:

Tennessee Higher Education Commission  
507 State Office Building  
Nashville, Tennessee 37219